

HEARING ON THE NOMINATION OF GEORGE J. TENET TO BE
DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

Y 4. IN 8/19: S. HRG. 104-203

Hearing on the Nomination of George...

HEARINGS
BEFORE THE
SELECT COMMITTEE ON INTELLIGENCE
OF THE
UNITED STATES SENATE
ONE HUNDRED FOURTH CONGRESS

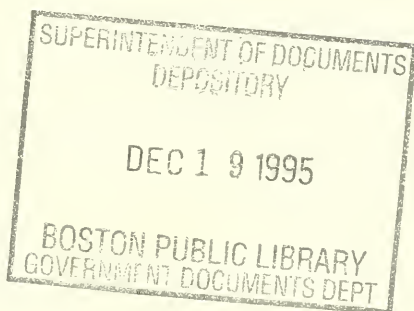
FIRST SESSION

ON

THE NOMINATION OF GEORGE J. TENET
TO BE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

WEDNESDAY, JUNE 14, 1995

Printed for the use of the Select Committee on Intelligence



U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1995

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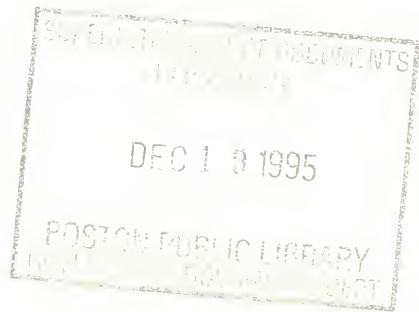
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HEARING ON THE NOMINATION OF GEORGE J. TENET TO BE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

WEDNESDAY, JUNE 14, 1995

U.S. SENATE,
SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC.

The select committee met, pursuant to notice, at 2:06 p.m., in room SD-562, Dirksen Senate Office Building, Hon. Arlen Specter (chairman of the committee) presiding.

Present: Senators Specter, Shelby, Kyl, Inhofe, Mack, Cohen, Kerrey of Nebraska, Glenn, Graham of Florida, and Robb.

Also present: Charles Battaglia, staff director; Chris Straub, minority staff director; Suzanne Spaulding, chief counsel; and Kathleen McGhee, chief clerk.

Chairman SPECTER. The hearing of the Senate Intelligence Committee will now proceed for the nomination of Mr. George J. Tenet, who comes to the committee after a very distinguished career in public service, and a distinguished academic career. He has served as National Security Adviser Anthony Lake's principal intelligence adviser. He was staff director for the Senate Select Committee on Intelligence. He directed the committee's oversight of arms control negotiations between the Soviet Union and the United States, and I came to know him very well when he worked with my colleague, the late Senator John Heinz, for more than 3 years, as a legislative assistant covering national security and energy issues.

He has an outstanding academic background. In 1976, received his degree from the School of Foreign Service at Georgetown, and a masters at the School of International Affairs at Columbia in 1978.

Mr. Tenet is up for the second position in the Central Intelligence Agency, which is a position of enormous importance, with the committee recently having heard from Mr. John Deutch, who is now the director, with enormous problems facing the Agency. And from all appearances, Mr. Tenet comes very well qualified for this important position, but we are going to put him under the microscope, as is the practice of the Senate.

We have a very distinguished group of Senators and former Senators here to introduce Mr. Tenet. The seniority is a little hard to figure out here with those present, but I know senior to all is the vice chairman, Senator Kerrey.

Vice Chairman KERREY. That was a terrific segue; that was great.

Thank you very much, Mr. Chairman.

I as well join you in welcoming George Tenet, and look forward to listening to his testimony. I welcome as well his wife, Stephanie, and his son, John Michael. I am sure they are both very proud of their husband and father.

George Tenet is returning today to his roots in the legislative branch, to the school that teaches respect for the people's will and respect for the Constitution as the living instrument of our freedom. But although you may be at home here on the Hill, you are definitely an executive branch official. You have been the President's liaison on intelligence matters since his inauguration. You have occupied a key position in the chain between the intelligence community and its principal customer. When the President wants an intelligence agency to do something, you turn the President's directive into action. Therefore, it is your executive branch experience, even more than your accomplishments on the staff of this committee, that makes you such a strong candidate for this post.

You have not managed a large organization before, but that doesn't concern me, because Director Deutch and other senior members of his team have that experience. Your management style has been honed in smaller organizations which have had to turn out high quality products in short periods. Flexibility and versatility have been the hallmarks of your organizations, along with a requirement to cut through the boilerplate, get to the bottom line quickly, and accomplish the task. So your management experience and style are just what the doctor has ordered for a large, complex, and somewhat bureaucratic intelligence community.

Should you be confirmed, my advice on how to do the job would be summed up in two words: be yourself.

Should you be confirmed, you will arrive at Langley at a crucial time for the Central Intelligence Agency and the entire community. Between the end of the cold war, Ames, Guatemala, the French flap, sexual discrimination, and the commissions and committees planning total overhaul, American intelligence is besieged as never before. The atmosphere of criticism overlooks the enormous positive accomplishment and even greater potential of our intelligence. Our President and policymakers know most, far more than any other world leader or combination of world leaders, because of our intelligence people and our systems.

Our military knows more about potential adversaries, and when they go in harm's way they are better warned than any other military in the world. When you get out into the field, as I am able to do, and see what our intelligence people are doing, the risks they are taking for our country, and when you go to the factories and analytical centers and see the collection systems and the people who build them perfectly and see the information our analysts derive from those systems—you realize the national treasure we possess.

The task we share is to make this instrument even more relevant to the Nation's needs and to ensure it operates in accord with the Nation's values. On the administration side it is a task for a builder, a positive person who is not shaken by the occasional headline. The President has chosen wisely, in my judgment, in assigning the

task to John Deutch, and I believe he chose wisely as well in assigning George Tenet to be Mr. Deutch's deputy.

Thank you, Mr. Chairman.

Chairman SPECTER. Thank you, Senator Kerrey.

Senator Glenn, would you care to say anything as an opening statement?

Senator GLENN. Mr. Chairman, thank you.

It is a pleasure to be here today and have George before us. I first came to know George when I was appointed to serve on this committee in January 1989 and he was the staff director. And in the 4 years that our tenure on the committee overlapped, I always found him to be a very bright, capable, hardworking and conscientious individual. And yet, despite all that, he was never dull. [General laughter.]

As committee staff director, and subsequently as a member of the National Security Council staff, he has been immersed in a broad spectrum of complex and controversial intelligence issues. And I would echo what Senator Kerry just said. I think John Deutch out there has had experience with large management functions. I think you, however, George, bring a level of expertise in the field directly to bear out there, that is going to be extremely valuable.

It has been my observation George effectively dealt with issues with considerable competence and professionalism. His ability was demonstrated during the committee's approximately 6 month confirmation process of Robert Gates to be Director of Central Intelligence in 1991. Many here today may not recall, but this lengthy confirmation process underwent extraordinary public scrutiny and was highly contentious within the committee—and I see some heads nodding over here.

Indeed, I would venture to say that the Gates confirmation process was one of the most significant oversight events in the committee's history. And I was quite favorably impressed with the fair, thorough, and bipartisan manner in which George dealt with the many issues and allegations raised during the Gates confirmation process. It was a very difficult time for everybody.

I am confident George will do well in his role as the number two manager of the intelligence community. I look forward to discussing his vision of the future of the intelligence community at this hearing, and I welcome him and his family today.

Mr. TENET. Thank you, Senator.

Chairman SPECTER. Thank you, Senator Glenn.

Senator Kyl.

Senator KYL. Mr. Chairman, I will just defer to my colleague from Oklahoma, Senator Inhofe.

Chairman SPECTER. OK.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

I had a prepared statement which I have elected not to read, because I want to get on with this. I have to confess, though, first of all it is great for me, not only to be here where we can visit with George Tenet, whom I support wholeheartedly, but also to have my predecessor David Boren here to introduce him or to participate in some way—I am not sure how you're going to do it.

David and I were elected to the Oklahoma Legislature way back in 1966, and have been very, very close friends since that time. And George, I have to tell you that I only had one phone call after I won the election and before I took office from David, and it was about you. He said, anything that we can do, to use the benefits and the knowledge and the experience of George Tenet, we want to do. So I am, I suppose here, one of your strongest advocates.

Mr. TENET. Thank you, Senator.

Chairman SPECTER. Thank you very much, Senator Inhofe.

We will now turn to the very distinguished introducing panel, starting with Senator Sarbanes.

**STATEMENT OF HON. PAUL S. SARBANES, A U.S. SENATOR
FROM THE STATE OF MARYLAND**

Senator SARBANES. Well, thank you very much, Mr. Chairman.

I am very pleased to appear before the committee and join with many of my colleagues and former colleagues here in introducing George Tenet, who, incidentally, is a resident of the State of Maryland, if I may make that observation.

He is well known to all of us through his very distinguished service here on Capitol Hill on the staff of his committee for over 7½ years, including as the staff director for the Senate Select Committee on Intelligence for over 4 years, from November 1988 to January 1993.

Before he came to work for the Intelligence Committee, he worked for Senator John Heinz as his legislative assistant, covering national security and energy issues, and also a Senator Heinz's legislative director.

George is a graduate of Georgetown University's School of Foreign Service. He has a Master of International Affairs from Columbia University. After his service with Senator Heinz and this committee, he went over to the National Security Council as senior director for intelligence programs. So he has had a decade of working in the intelligence field.

He has managed, of course, a staff on the Hill and done it very capably. If confirmed, and I have every hope and expectation that he will be, he will be assuming a very important post, carrying heavy responsibilities. He will be joining the new Director of Central Intelligence during a sensitive period of transition of intelligence services.

I think he brings a number of very significant qualities to that assignment. He good management skills and background in intelligence work will be very valuable assets to Director Deutch, along with a combined perspective acquired at both ends of Pennsylvania Avenue. He has a respect for the oversight functions and activities of intelligence committees and the Congress, which I think is a matter of significant concern to those of us in the Congress, and a keen appreciation of the intelligence requirements of the President and of the executive branch.

I have known George and his family for a long time, I know well his record of public service. I am confident that he brings to this position the essentials skills and experience required to be the Deputy Director.

I strongly urge his prompt consideration and his early confirmation.

Thank you very much.

Chairman SPECTER. Thank you very much, Senator Sarbanes.

We now turn to Senator Murkowski, who served 8 years on this committee and was a very distinguished vice chairman.

Senator Murkowski.

**STATEMENT OF HON. FRANK H. MURKOWSKI, A U.S. SENATOR
FROM THE STATE OF ALASKA**

Senator MURKOWSKI. Thank you, Mr. Chairman.

I am very pleased to be here and join my colleagues, and I think it is particularly fitting that Senator Sarbanes and I, who are still active in the vineyards, have an opportunity to sit down with Senator Warren Rudman and our good friend, Senator Boren, both of whom struck out in the private sector, one to reorganize the university systems in this country, and the other to reorganize the private sector, and I think it is somewhat comforting, Senator Sarbanes, to know that they seem to be getting along quite well and neither one of them look like they missed too many meals. [General laughter.]

We are here to introduce a friend that I have had the opportunity to work with for a number of years during my tenure on this committee, and it's nice to see some of the staff members that worked with us then, and know that Mr. Tenet here has advanced to the point where we are considering him for the Deputy Director of Central Intelligence.

During the time that I was on the committee, I was working with John Moseman, who is in the room, and John worked with me as my assistant, and Senator Boren, of course, had the able assistance of Mr. Tenet. It was an extraordinary relationship, and I think that the highlight was that it's pretty hard to find a partisan issue that we got on during the 8 years of our association. It was a non-partisan function, as has been the tradition of this committee, and it was through no small effort of both Mr. Tenet and Mr. Moseman that that was a conscientious commitment which I think met the requirements and the specific quality of the Intelligence Committee, which is a unique committee, as you know, Mr. Chairman, inasmuch as you are limited to 8 years of service.

So there is no question that Mr. Tenet has the experience and the dedication to be a strong leader in the intelligence community, and I think as we see the changes in our intelligence community, there is a different role now. We still live in a very unsettled world. We have the concentration of terrorism, which is something very different than what we had in much of our intelligence before. We are seeing the necessity of having up-to-date information relative to issues such as the North Korea proliferation issue. These countries have become hard targets for intelligence. This is, I think, an evolution of intelligence that directs our more immediate attention.

So in the sense that Mr. Tenet's new job will require the background of having had experience on Capitol Hill and the executive branch, as Director of intelligence for the National Security Council, there could not be a better selection having been made by our President.

Again, for those of us who have had the pleasure of working with George, it is a real pleasure to be here, to speak on behalf of your nomination as Deputy Director of Central Intelligence. There is absolutely no question in my mind that you are up to the job and that the—that you will serve your country in a manner that is fitting of your background, expertise, and dedication.

And I am just very pleased to speak on behalf of your nomination and I know that your good friend, John Moseman, joins me in that regard.

I thank you, Mr. Chairman.

Chairman SPECTER. Thank you, Senator Murkowski.

The next introducer, by seniority, is Senator Boren, having been elected to the Senate in 1978. It is very pleasant to see our distinguished colleague back—I saw him in the dining room for a few moments—and to know that he has charge of the University of Oklahoma, where I started my college education. Great place, Norman, OK, and it's great to see you back here, Senator Boren.

STATEMENT OF HON. DAVID L. BOREN, FORMER U.S. SENATOR FROM THE STATE OF OKLAHOMA

Senator BOREN. Thank you very much, Mr. Chairman. And we hope you'll come out and pay your partial alma mater a visit one of these days. It is good to be with members of this committee. This is the first time that I have appeared back in the Senate since I left it. I am happy to share with the members of this committee my conclusion that if you're ever thinking of going on to another career, what you will learn here in terms of covert operations, antiterrorism, and political intrigue, will certainly serve you in good stead if you decide to become president of a major State university, I can tell you that for sure. [General laughter.]

Certainly the highlight of my service in the Senate occurred during my time of service on this committee and with several of you as colleagues. And indeed, it is a happy occasion that the first time I get to come back is to join my colleagues here at the table is to present George Tenet to you.

I say that, because I believe that it is a cause of real celebration that George Tenet is willing to serve because our country so desperately needs people of great ability and tremendous commitment to serve in very sensitive positions like this, and especially in our intelligence community at this time. As all of you know, many changes are upon us in the community. There is a quest for its appropriate role. In many ways, the community is experiencing an identity crisis.

Others have covered George Tenet's background very, very thoroughly.

When I first came to this committee, I did not know George Tenet. You might ask how could a Democrat from Oklahoma select someone who had come to the Senate as a staff member for a Republican Senator. In addition he was originally from New York and then Maryland. Why would I have selected George Tenet to serve as the staff director of this committee when I became chairman. The answer is very simple. I had a chance to observe him, and I made that decision on the basis of merit, on the basis of his tremendous ability as I saw it, demonstrated when we examined the

oversight issues involved with our negotiations of the arms control treaties as the chairman has indicated. George Tenet staffed that process and he did a tremendous job. I wanted to find the person who had the greatest talent to serve as staff director.

During his time as the staff director of this committee, many important reforms steps were made. We began a quarterly review of all the findings in force to make sure that we were providing adequate oversight over the executive branch. With the help of the chairman, and it was the chairman's original suggestion, we secured the passage of a bill setting up the statutory inspector general for the CIA. We also strengthened the covert action reporting requirements in landmark legislation.

Our own independent audit unit was created for the first time. It enabled us to find information on our own without having to take simply the information that was given to us by the executive branch. The creation of that unit was fully implemented during the time that George Tenet served as our staff director.

No one could have more appreciation for or respect for the role of this committee and the need to keep faith with the responsibilities of this committee in terms of providing full and thorough information than George Tenet. As staff director he very forcefully upheld our rights and tried with every ounce of energy to meet the responsibility to obtain information for this committee.

So I think we are very fortunate that someone would enter service in this key position who has such a firm understanding of the need for the special partnership that exists between this committee and the executive branch.

I would just say one thing. Now, the further away I am from the process, the more I believe in bipartisanship, the more I understand how much the American people want it. Reference was made by Senator Murkowski and Senator Cohen who is here today could also make the same comments, to the bipartisan approach we have had. I know that that spirit continues on the committee. Except for the two staff directors, for 6 years we never asked anyone's political affiliation when we hired new staff. We had an American staff, we didn't have a Democratic or Republican staff. And it is with great pride that I tell you that during that time and during the entire time that George served as staff director, working with Senator Cohen's director, and later, Senator Murkowski's staff director, John Moseman, we did not have a single party line division on this committee on any issue, no matter how sensitive. George Tenet really made an immeasurable contribution to that spirit of the committee.

And so when you see someone who is an American first above all else, and who will faithfully serve the members of this committee in its role without regard to partisan political consideration, with the kind of competence he's developed; with the experience that has already been outlined, it's a very happy occasion indeed to be able to come back and to say to you with great enthusiasm of the people I have known in my life I would count on one hand those that I would entrust anything that I owned or anything that I had and never bother to check up on it, and George Tenet is one of those people. And I enthusiastically recommend him.

Chairman SPECTER. Thank you very much, Senator Boren. If you go on much longer, it may be unnecessary to have the balance of the hearing.

It is a real pleasure to see Senator Rudman back in these Halls. A special pleasure for me. We came together, served side by side for 12 years. An extraordinary Senator, an extraordinary public servant. A former member of this committee.

And we welcome you here, Senator Rudman.

STATEMENT OF HON. WARREN B. RUDMAN, FORMER U.S. SENATOR FROM THE STATE OF NEW HAMPSHIRE

Senator RUDMAN. Mr. Chairman, thank you so much, and it's great to appear before so many good friends.

Much has been said about George Tenet's background and his ability. I share all of that. I want to come to this from a slightly different perspective, just for a very brief period of time.

As some of you probably known, I agreed to serve as vice chairman of the President's Foreign Intelligence Advisory Board, a very bipartisan group, which historically goes back to the days of Dwight Eisenhower, which is intended to give the President of the United States an impartial view, if you will, a qualitative analysis of the intelligence he is receiving.

And then, as the chairman well knows, this Congress last year passed the National Commission on Intelligence Act, and I know recently the chairman and other members have received the scope paper from that Commission. That Commission the President decided to staff with his selection from PFIAB, if you will, and so Les Aspin, who was chairman of PFIAB, and I were asked to assume the identical roles in the National Commission on Roles and Missions.

We suffered a grievous loss 3 weeks ago when we lost Les Aspin, one of the true intellectuals that I have ever met in my life. And I got to know him extraordinarily well.

So we are now engaged in what you have asked us to do, and that is to report to the Congress and to the President and to an extent to the American people next March as to what the role, the mission, structure, organization, of U.S. intelligence should be for the coming year 2000. It is a daunting task, because I think anyone who has served on this committee or served in the intelligence community would probably say that if the United States had no intelligence assets today at all, the system that we would design would not resemble the system we have on the ground. Having said that, it is very doubtful that there would be that kind of a massive reorganization.

Now, I say all of this because I am particularly delighted and enthusiastic to appear with George Tenet today and with my good friends Paul Sarbanes, Frank Murkowski, and of course, David Boren. Because it seems to me that the one thing that George brings beyond what has been discussed except in a cursory way, is a thorough understanding of this place and how it works, how its members think, and what has to be done to accomplish legislative objectives.

I have no doubt that when the Commission finishes its work, that the Congress will accept parts of it, reject parts of it, as well

it should as the people's representatives, and eventually we'll have major reorganization of the U.S. intelligence community. I expect that it happen, if not next year, then certainly the year after.

And to have George Tenet in the position he will be in gives me great comfort. I have had the opportunity to work with him for the last several years, because as you all know, and you said it, Mr. Chairman, he has been at the elbow, if you will, of the National Security Adviser. And when all of this happens, it is going to be essential that there be someone from the intelligence community who is both trusted by that community and trusted by the committees of Congress that in the final analysis will be charged with that sobering responsibility.

We are very lucky to have George Tenet nominated for this position. I was very enthusiastic about it. I had a long talk with John Deutch about it. I feel confident that you will confirm him, and we are lucky to have him.

Thank you, Mr. Chairman.

Chairman SPECTER. Thank you very much, Senator Rudman. Thank you very much, indeed.

We've had a few additional Members join us since we started. Senator Mack, I think you were next to arrive. Would you care to say a few words in opening?

Senator MACK. I pass on that, Mr. Chairman.

Chairman SPECTER. OK.

Senator Graham.

Senator GRAHAM of Florida. Mr. Chairman, I had an opportunity to have a very constructive discussion with Mr. Tenet and I look forward to his testimony.

Chairman SPECTER. Thank you very much.

Senator Cohen.

Senator COHEN. I was prepared to endorse Mr. Tenet until I heard Senator Boren indicate he had only a handful of people he really trusted, and I looked around the room, and it was a pretty narrow group of people he was including. [General laughter.]

But I, in view of the fact that we have a vote—back to back votes, as I understand it, coming up, I will just say that I have worked with George Tenet and I have the same respect that every single Member who has introduced him has for his abilities and I look forward to working with him as the Deputy Director.

Chairman SPECTER. Thank you, Senator Cohen.

Senator Robb.

Senator ROBB. Thank you, Mr. Chairman.

I, too, had a very good meeting with Mr. Tenet in the last few days. I look forward to the hearing, to the confirmation and to working with him, and given the imminent votes that are scheduled, maybe he could get his opening statement in before we have to go vote.

Chairman SPECTER. Thank you very much, Senator Robb.

It's my pleasure now to introduce members of Mr. Tenet's family who are here, and we thank Senator Rudman, Senator Boren, Senator Murkowski and Senator Sarbanes for coming. As is the custom they will leave us at this time.

It is my pleasure to introduce Ms. Stephanie Glakis-Tenet, Mr. Tenet's wife, and John Michael Tenet, Mr. Tenet's son.

Thank you for joining us.

Now, Mr. Tenet, if you would stand.

Do you swear to tell the truth, the whole truth, and nothing but the truth, so help you God?

Mr. TENET. I do.

Chairman SPECTER. Thank you very much.

The floor is yours, Mr. Tenet. You may proceed.

Mr. TENET. Thank you, Senator.

I will try and truncate this a bit so we can move on.

STATEMENT OF GEORGE J. TENET

Mr. TENET. Mr. Chairman, and members of the committee, I am honored that President Clinton has nominated me to be Deputy Director of Central Intelligence. It is indeed a special privilege to appear before this committee to discuss my qualifications for this office and to share with you my views regarding the future of U.S. intelligence.

For nearly a decade, I have been involved in intelligence matters both in the U.S. Senate and at the White House. Since January 1993 I have served at the National Security Council as Special Assistant to the President for National Security Affairs and Senior Director for Intelligence Programs. Prior to my service at the NSC, as you all know, I spent more than 7 years at this committee, including over 4 years as your staff director.

My professional experiences in congressional oversight and in the executive branch have provided a strong preparation for the position of Deputy Director of Central Intelligence. Throughout my career, I believe I have addressed many of the difficult issues facing the Intelligence Community.

Today, what I would like to do, Senator, is outline for you the five principal objectives that will represent my highest priorities if confirmed.

First, the Director and I will work together to ensure that the Intelligence Community provides the President, his senior civilian and military advisers, and the Congress, unique, timely, and objective intelligence that makes a difference in deliberations that affect our Nation's security. The Presidential Decision Directive on intelligence priorities calls for collection and analytical resources to focus on difficult issues that require a strong intelligence effort. The message is clear. Rather than doing more with less, U.S. intelligence must do more of the more important.

The Intelligence Community has a special obligation to provide policymakers with information which is otherwise unobtainable. Intelligence can and should be actionable. By providing real secrets and the insights that flow from them, good intelligence offers policymakers, the military, and law enforcement officials new opportunities to protect our national security interests.

Accurate, timely intelligence protects the lives of the men and women in our Armed Forces. It disrupts the transfer of dangerous weapons. It prevents terrorist atrocities. It blocks illicit narcotics trade. It stops illegal commercial practices. It brings pressure to bear on adversaries and helps to persuade our allies. And it thwarts the plans of those who seek to undermine peace and stability around the world. This is the type of intelligence that I believe

the American people are willing to pay for and that policymakers need.

Let me say unequivocally that there is no room for either politics or partisanship in the way the Intelligence Community performs its duties. The Director and I will insist that intelligence products provide unvarnished facts and straightforward analytic findings. We will candidly acknowledge what we don't know. And most important, all of this will be done without regard to policy preferences.

Second, the Director and I will work closely to oversee the re-engineering of the Intelligence Community. Just as the need for intelligence is indisputable, so is the need for reform and renewal. We will undertake a careful review of the Intelligence Community's structure. Our goal will be to consolidate functions and to identify savings that will facilitate the innovation required to collect and disseminate unique information quickly in our core mission areas. We must prove that we can make tough budget decisions across disciplines that reward performance against high priority targets.

Third, a clandestine human intelligence capability is indispensable to the success of U.S. intelligence. Collection based on technology alone cannot provide all the relevant information on the activities, plans, and intentions of our adversaries. Indeed, we need human intelligence to take full advantage of advances in technology that can be used to collect secret information.

It is for this reason, I believe, we must strengthen the major effort underway to revitalize CIA's directorate of operations. This effort must be based on the highest operational and counterintelligence standards. It requires continued attention to the quality of the individuals entering the clandestine service and how they are trained, evaluated, challenged, and rewarded for their accomplishments and expertise. We must review the composition and size of the service, its methods, the diversity and capabilities of its officers, and how well it performs against difficult targets.

This committee's efforts in the late 1980's allowed the Directorate to apply new and creative techniques to operations in the post-cold-war environment. We must now challenge our civilian and military clandestine services to implement a long-term plan based on the highest standards of competence, accountability, tradecraft, and operational security. And we must accept the fact that the benefits from this effort will not be immediate.

Fourth, no other issue carries more importance for the Director or myself than counterintelligence. Espionage in the ranks of the Intelligence Community or foreign manipulation of information collected by U.S. intelligence cannot and will not be tolerated. We have made many good strides since the Ames case.

But much more needs to be done. Relying on the polygraph alone will not deter espionage. We need a strong cadre of professionals who possess the analytic and investigatory skills to prevent and detect security breaches. This group will have to assess the performance of managers who must balance the need for aggressive operations with an equally aggressive counterintelligence focus. Counterintelligence must be a respected and rewarded career. It must be embedded in collection, operations, and analysis if it is to succeed.

Fifth, both the Director and I believe that effective congressional oversight is essential to the renewal of U.S. intelligence. As Director Deutch has stated before this committee, espionage does not rest comfortably in a democracy, and congressional oversight plays an essential role in maintaining the trust and confidence of the American people in secret intelligence-gathering activities.

If confirmed, I will keep the committees fully and currently informed about covert action, other significant intelligence activities, and intelligence successes and failures.

But, Mr. Chairman, perhaps I know more than anyone else that these statutory responsibilities cannot be the sole basis of our dialog. The Intelligence Community must interact with the oversight committees on the basis of bipartisanship, candor, and mutual trust. Experience makes it clear that when oversight is neglected or allowed to erode, the President, the Intelligence Community, the Congress, and, more important, the American people suffer.

In pursuing these five objectives, I will promote a process of continuous improvement throughout the Intelligence Community so that it can adapt quickly to new developments and needs. Protecting the status quo and adhering to convention inhibit the innovation, creativity, and dynamism needed to keep U.S. intelligence the best in the world. Good intelligence requires experimentation and risk taking. It demands a work environment built solidly on the foundation of equal opportunity and advancement based on performance. This is the best way to foster the free expression of ideas we need to increase efficiency and stay focused on collecting real secrets.

Mr. Chairman, I am determined, in addition, to restore the morale of the employees of the Intelligence Community, and CIA in particular. I know from close association with the Intelligence Community over the past decade that its work force is among the most talented and dedicated and hard working in the U.S. Government. These professionals want to be challenged and held to the highest standards of performance and accountability.

Mr. Chairman, let me close by saying that if confirmed I will work with the Director to insist on clarity of mission, priorities, and standards of accountability at all levels in meeting our obligations to the President, the Congress, and the American people. If confirmed, I will look forward to working with you and the members of this committee, and I hope and expect to be held accountable for the statements and pledges I have made today.

Mr. Chairman, I would like to thank you and the members of this committee, and I look forward to taking your questions.

Chairman SPECTER. Thank you very much, Mr. Tenet.

We are now 11 minutes into the vote. We will recess and return. We will be about 10 or 15 minutes, since we have two votes.

Thank you.

[The committee stood in recess from 2:43 p.m., to 3:03 p.m.]

Chairman SPECTER. We will resume the hearing.

Mr. Tenet, I begin with what I consider to be the No. 1 international problem, and that is the threat posed by weapons of mass destruction, and I would like your views on how the United States should tackle that issue.

Mr. TENET. Senator this is an issue that enjoys the President's highest priority. It is an issue that is one of the priority targets in his decision directive with regard to intelligence priorities. This is an issue that we have to tackle from a number of ways. We have hostile countries that are proceeding to acquire these weapons, sometimes from friendly countries. What we need to do is establish a thorough understanding of the networks of supply of those weapons. To the extent we can, impose ourselves on allies and other governments to shut down operations in their countries that aid in the procurement of those weapons systems.

We need through our intelligence network and our law enforcement community to bring both communities to bear, to interdict shipments, and we need to bring special operations to bear—intelligence operations to bear on some of these subjects, in a manner that I think is more appropriate to discuss is closed session.

But this is an issue, Senator, that must be pursued by all agencies of government. And U.S. intelligence bear a special responsibility in providing the necessary information to do that.

Chairman SPECTER. A number of us on this committee have expressed concern with the statement of agreed principles, so-called, with North Korea, which appears to give a large window of opportunity for North Korea to avoid inspections over a 5 year period. I realize that you have been with the National Security Council and have perhaps to some extent, an executive perspective. But what is your view of that arrangement with North Korea?

Mr. TENET. Senator, this is not an issue that I have been directly involved in personally. Obviously any—from the perspective of monitoring in the agreement that we reach with the North Koreans, obviously the continued presence of physical inspectors and the IAEA is absolutely critical to the continuation of the monitoring of that agreement. The North—

Chairman SPECTER. But they do not have any inspections, as I understand the arrangement, for a window of some 5 years.

Mr. TENET. Well, Senator, this is not—as I said, I would like to get you a considered judgment on this issue, and I'd come back to you on this. Not something that I have been personally involved in.

Chairman SPECTER. With respect to your comment about the importance of clandestine operations, I certainly agree with you about that. What is your assessment of the quality of so-called HUMINT or human intelligence at the present time?

Mr. TENET. Senator, I believe that there have been great strides made over the last 4 or 5 years. I think we're in good shape. I don't think we are in as good a shape as we need to be.

Chairman SPECTER. Why do you think that there have been such great strides made in that immediate prior period?

Mr. TENET. I think one of the reasons is, Senator, is quite frankly these—both intelligence committees went out of their way in the late 1980's to provide the necessary funding for the Directorate of Operations to look at new ways to attack problems, new platforms to deal with problems that aren't as traditional as we once operated. So in that sense, I think we gave them the means to do some very, very important things. They have availed themselves of technology in a way that they did not before. And as a consequence,

I believe we have made some good strides. But much more needs to be done in this area.

Chairman SPECTER. Well, aside from the technology, you're saying that progress has been made on on-the-ground intelligence as well.

Mr. TENET. Yes sir.

Chairman SPECTER. Can you give us an idea as to how you would proceed to further improve HUMINT?

Mr. TENET. Senator, as I think I indicated in my opening statement, one of the things we need to do is set clear mission priorities for this discipline. There are targets that clearly lend themselves and are very, very difficult. We should organize ourselves around a core set of priorities, relentlessly pursue the evaluation of how we perform against these priorities, look at the kinds of people we bring in, look at how we train people, look at their skills, and then relentlessly give ourselves a report card about how we're doing.

One of the things that we need to do better, and it's not just in HUMINT, but it's in all disciplines of intelligence, is have an evaluation system in place that looks at inputs and outputs and then gives us a sense of what budget decisions should follow.

Chairman SPECTER. Mr. Tenet, as DDCI you will have enormous management responsibilities as No. 2 of an enormous organization. What management skills do you bring to this job, or more specifically, what experience if any have you had to this moment in management?

Mr. TENET. Well, Senator, I agree with you, I have never managed an organization the size of the CIA or the Intelligence Community, for that matter. But I think my track record is based, first, on setting clear standards and priorities, holding people accountable for performance, understanding what my mission is, pursuing my mission with the least amount of bureaucracy as is possible, and ensuring that we have an evaluation system in place that judges outcomes.

I think the DDCI, Senator, is someone who is very important in the Intelligence Community from the perspective of building consensus. I think one of the things I do best is bring people together around difficult issues, and make sure everybody has a stake in the outcome. And I think that is a skill that the DDCI has to evince every day.

So the package, I think, Senator, is in lots of small organizations in small ways, skills that I believe will lend themselves to helping John Deutch and the management team he surrounded himself with in a very fundamental way.

Chairman SPECTER. Well, your answer on building consensus may be related in some sense to management, but does not really address the question head on. When you talk about standards and practices, you have given sort of the text book response to what managers do.

My question is, What experience, if any, do you have in management?

Mr. TENET. Well, Senator, I think that, first, we look at the management of this committee for over 4½ years, across a range of very, very difficult issues, and take a look at the aggressive nature of the oversight process that we engaged in.

The Gates confirmation process may be an interesting vignette to look at, how a difficult issue was managed and brought to conclusion.

If you take my experience at the National Security Council, I coordinated Presidential decision directives on over five very, very difficult subjects. Executive orders in three other areas. And the management of a covert action process that reports directly to the National Security Council and the President—

Chairman SPECTER. What's the largest management group you've ever managed?

Mr. TENET. Oh, probably an interagency process that may have had 50 or 60 people involved in it.

Chairman SPECTER. You talk about morale, and properly so, as a high level of priority. And you also talk about progress since Ames and more is needed.

Let me begin with the progress which you refer to since the Aldrich Ames case. To what extent can you specify that in this open session?

Mr. TENET. Well, Senator, we've done a number of things. We put a new counterintelligence structure in place that created a National Counterintelligence Policy Board and an operations board and a National Counterintelligence Center, all of which flows directly to the National Security Adviser.

We put a senior FBI agent in charge of CIA's counterespionage group to ensure that the law enforcement and intelligence cooperation that was absent in the Ames case is now a viable entity.

This committee established—enacted legislation that allowed law enforcement access to financial and other records that will be critical to deter and detect espionage.

We have an Executive order underway that will be coming to you shortly that will, for the first time, establish uniform standards for access to classified information, including requiring people who have access to sensitive information to provide financial data on a fairly regular basis to their agency heads.

So from the perspective of structure, we have created a structure that has solved some of the issues that were absent. And maybe that's bureaucratic, but they were necessary first steps to allow us to take the next and important steps in the counterintelligence arena.

Chairman SPECTER. I was interested in your emphasis on morale in the CIA and that certainly is a top item. How specific can you be as to what you will do to deal with the morale issue?

Mr. TENET. I think, Senator, morale is really a function of leadership, giving people a sense of mission and values that everybody believes in. Most important, ensuring that people are rewarded for the merit and competence of their work. Ensuring that people have equal opportunity, and ensuring that people understand that their management cares and about those principles.

Chairman SPECTER. And how about the converse of that? Finding out when they don't do their jobs, as Mr. Ames apparently—

Mr. TENET. Absolutely, Senator. Accountability and management accountability at all levels is a critical piece of people understanding that you mean what you say about rewarding competence in performance.

Chairman SPECTER. My red light went on in the middle of your answer, so I will yield at this time to Senator Glenn.

Senator GLENN. Thank you, Mr. Chairman.

In the past I am sure you recall that I introduced legislation which would require the Presidential appointment and Senate confirmation of the CIA General Counsel. Now, that is something that was recommended by the Church Committee way back, and also the Iran-Contra Committee. I think it forces the appointments of a President to be done on other than just a straight political basis. In other words, I viewed it as being an effort to nonpoliticize that position with some of the problems we've had in that position in the past. Director Deutch has indicated to the committee he would like to have this position confirmed by the Senate. I don't know whether you have talked to him about this or not, or whether you are in favor of it or would like to discuss it further, but I would appreciate your views on that.

Mr. TENET. Senator, he has talked to me about this. He has sent this proposal forward to the administration to get final views from. My perspective is that I would agree with him. I think that the man or woman who holds this job is giving critical legal advice, often in secret, and I think this is a person that should be confirmed.

Senator GLENN. Good.

Just as a followup on that. You may recall back some time ago when we had a case where there was a General Counsel out there who gave a recommendation to the President not to send information to the Hill, specifically not to. And it was—the President took that advice and we didn't even know about it for over a year. And so I think it is important that we try and get something through on that.

Let me ask—we're sort of out of the cold war time period now. My view and I think probably yours, too, as we talked about it briefly in the office was that the direction of intelligence and the nature of what we are going to have to do has changed rather dramatically here. Some of these new directions, do you have any thoughts formulated you could share with us as to the new directions you think our intelligence efforts have to take?

Mr. TENET. Well, Senator, there's some traditional areas that we still have to pursue, but some of these transnational issues really pose some new, fundamental challenges to us. While they have been emphasized—they have been given some emphasis previously, the kind of emphasis they deserve in terms of moneys and strategies I think is now much more serious than it once was.

I'll give you one. The whole issue of international organized crime, for example, and its nexus to terrorist organizations and narcotrafficking organizations is something that is most worrisome, particularly as they operate in weak nation-states who don't know how to control them or don't want to control them. And they pose fundamental challenges not only to economic systems, but they challenge democratic systems that are trying and struggling to develop in many, many parts of the world.

So that is one area that I think needs much more attention.

Senator GLENN. I think more of the things you are going to be doing in intelligence are going to have to go into the HUMINT

area. It's not just overhead satellites and so on anymore. There are so many targets that I think are going to require HUMINT—and that takes a long time to develop. We may spend many years developing good contacts in a certain area, and they are very tenuous even once they are developed over a number of years.

This means, though, that your funding efforts being put into that area have to be consistent for a long period of time. What do you think of multiyear budgeting in that area and how do we do that? The development of satellites requires multiyear budgeting. But with our inconsistency in the way we budget these days, I'm not sure how you run a HUMINT program and keep it consistently funded.

Mr. TENET. Well, Senator, I would say that consistence in budgeting is important. HUMINT is not very, very expensive. It is not a big ticket item like buying a satellite. So, in theory, we should be able to consistently provide solid funding in this area.

The patience you talk about as well is very, very important, and the patience to have a counterintelligence and a defensive system in place that is the equal of our yearning to collect positive intelligence is something that we have to concentrate far more on that we have in the past.

Collecting assets and generating intelligence is our primary mission, but ensuring that that information is free of manipulation and that its integrity is high is also something that needs to be emphasized. And there is a tension there that you have to accept, and so patience is really the key.

Senator GLENN. Yes.

Well, I have not been in favor of downsizing the budget on this committee, as you know. We've been through some wars on that issue in the past here on the committee. I think at a time when we are downsizing the military or have leveled off our downsizing, history tells us that about every 17 years we go through a build cycle in the military. That has been the pattern on a 17-year cycle ever since the Spanish-American War. We've gone through cycles almost exactly every 17 years. World War II was just a hair off by about 4 years, but the others have fit an exact cycle.

I think that when we're downsizing our military, we need the best possible intelligence, and I have not favored downsizing our budget. I am truly concerned that we not downsize to where we can't do the job that has to be done for the future.

So that doesn't require any response from you but—

Mr. TENET. Senator, let me just tell you that my one response would be that stability is key.

Senator GLENN. Yes.

Mr. TENET. We need a 5-year profile that is stable so that you can plan against it. That's absolutely critical.

Senator GLENN. Well, I know of no serious objection to your nomination and I look forward to working with you once you get out there.

Mr. TENET. Thank you, Senator. I appreciate that.

Chairman SPECTER. Thank you very much, Senator Glenn.

We have had the arrival of Senator Nunn, who had wanted to be here earlier, but had other commitments, and we would be very

pleased now to yield to the distinguished Senator from Georgia for an introduction nunc pro tunc of Mr. Tenet.

STATEMENT OF HON. SAM NUNN, A U.S. SENATOR FROM THE STATE OF GEORGIA

Senator NUNN. Thank you very much, Mr. Chairman.

I know that Mr. Tenet has already been well introduced. I am going to ask that my whole statement be put in the record. I just wanted to add a very strong endorsement of George. He has been a terrific follower and worker with the Intelligence Community. When I was chairman of the Armed Services Committee, I worked with George when he was the staff director for Senator Boren and even before that when he was on the committee staff.

He has a keen appreciation of the connectivity between the military community and the CIA. He has a very broad perspective of intelligence. He has worked in the NSC, as all of you know. I have had a chance to travel with him when he was staff director. If you go into closed session, I could give you some of the more colorful parts of those ventures, but I wouldn't do it in open session.

I do think he will make an excellent Deputy Director, and I know that John Deutch is looking forward to having him there, and I think that this committee will appreciate his talents as it has in the past when he was serving so capably as a member of the staff. He has energy; he has intellect; he has enthusiasm; he has an absolute dedication to a strong intelligence capability under proper oversight and supervision; and I think he also have been around the Intelligence Community enough to know that you have to ask the right question.

Mr. Tenet will do a terrific job. We'll be proud to work with him.

Chairman SPECTER. Well, thank you very much, Senator Nunn.

That raises in my mind the issue of whether he knows how to give the right answers to the question which would have been the right question had it been asked.

Senator NUNN. I think he knows how to do both.

Chairman SPECTER. Well, that's a rare quality, and the proof will be in the pudding as to whether he will do that, recognizing the question that should have been asked but wasn't and then giving the right answer.

And your full statement will be included in the record.

Mr. TENET. Thank you, Senator.

Chairman SPECTER. Thank you, Senator Nunn.

[The statement of Senator Nunn follows:]

STATEMENT OF SENATOR SAM NUNN

Thank you, Mr. Chairman and members of the Committee, for allowing me to appear before you at this time. I regret that it was not possible for me to be with you at the outset. I was participating in a long-scheduled ceremony inaugurating the State Department's consolidated nuclear risk reduction center.

It am pleased to enthusiastically recommend to the Committee Mr. George J. Tenet, President Clinton's nominee to be Deputy Director of the Central Intelligence Agency.

It was my pleasure to work directly with George when I was a member of the SSCI. He was a designee for many years; he then became Staff Director during the tenure of our esteemed former colleague Senator Boren. I had extensive contacts with both of them, in my capacity as an SSCI member and as Chairman of the Armed Services Committee. We had several opportunities to travel together on Committee business overseas—and in closed session I am prepared to brief the Commit-

tee on Chairman Boren's and Staff Director Tenet's more colorful covert activities during those memorable trips.

Mr. Chairman, based upon my direct knowledge of Mr. Tenet's abilities and his character, I highly recommend his confirmation for the important post of Deputy Director of the Central Intelligence Agency, again with enthusiasm and without qualification.

If confirmed, Mr. Tenet would bring to this position superb leadership skills. I know him to be energetic and perceptive, well-organized, considerate and thoughtful. He is thoroughly familiar with Senate procedures and practices, having worked as legislative director for the late Senator John Heinz, before coming to SSCI as Senator Leahy's staff designee in August of 1985. He is an expert in our legislative and budget processes. He understands well the concerns of the Congress and the importance of Congressional oversight.

During his tenure on the SSCI staff, Mr. Tenet gained detailed knowledge of the structure and function of the United States Intelligence Community—not just the Central Intelligence Agency, but also the Defense Intelligence Agency, the intelligence units of the respective military branches and executive branch departments, the Federal Bureau of Investigation and the National Security Agency.

During the time that he was SSCI Staff Director, and I was Chairman of the Armed Services Committee, my staff and I worked closely with Mr. Tenet and his staff on budget and oversight issues of concern to our two committees, including tactical military intelligence and verification of arms control agreements. I can assure this Committee that Mr. Tenet has an excellent appreciation of the importance of intelligence for our uniformed military services.

Mr. Tenet deepened his knowledge of intelligence issues and extended it further during his tenure as Senior Director for Intelligence Programs at the National Security Council. This experience provided him with an Executive Branch perspective of the entire United States Intelligence Community and how it interrelates with Congress and with other parts of government.

In short, Mr. Chairman, there is no doubt in my mind that George Tenet possesses the knowledge and the experience required of the Deputy Director of the Central Intelligence Agency. In addition, I know from direct experience that Mr. Tenet possesses two personal qualities that will serve him, the CIA, and the nation well, should he be confirmed for this high office. First, he is an individual of high integrity. Second, he is an individual blessed with a rich sense of humor. These two qualities are needed everywhere in government, but nowhere more than in today's Central Intelligence Agency.

Mr. Chairman, I believe George Tenet would be an outstanding Deputy Director of the Central Intelligence Agency. I recommend that he be promptly and unanimously confirmed by the Senate for this post.

Chairman SPECTER. Senator Shelby.

Senator SHELBY. Thank you, Mr. Chairman.

Mr. Tenet, in your statement, I am just going to quote from it, it says: "No other issue carries more importance for the Director or myself than counterintelligence." I agree with that. It says: "Espionage in the ranks of the Intelligence Community or foreign manipulation of information collected by U.S. intelligence cannot and will not be tolerated."

Let's talk about the Ames case. I have been told, I think fairly reliably, that we don't know everything and that maybe Ames doesn't know everything that was disseminated out of Langley and others. How do you fight that information that has been disseminated that we collected that's very important. In other words, follows up on the Ames case. You've got to get the depth of what he sent out, have you not? How do you measure it, in other words?

Mr. TENET. Well, Senator, as you may know, there is a damage assessment underway today.

Senator SHELBY. I know it.

Mr. TENET. I think it will be done in another couple of months. And out of this damage assessment we hope we will understand the full extent of the damage he did.

Senator SHELBY. Why has it taken so long to get into damage assessments?

Mr. TENET. Well these——

Senator SHELBY. I know you're not over there.

Mr. TENET. I'm not over there, Senator, I don't know the full process by which these are conducted, but I think in the case of Mr. Ames, it was so much information given away that understanding the complexity and the totality of it is a very difficult proposition.

Senator SHELBY. Was he basically a—running a Xerox machine just get—sending stuff out and probably a lot of things he didn't understand, but knew was valuable.

Mr. TENET. I think worse than running a Xerox machine, I think we was downloading a computer pretty well, and accessing data bases that we have to fully evaluate. His access is an issue that will ultimately lead us to a fuller understanding of the damage that has been done.

Senator SHELBY. Would it be a fair assessment that over at Langley that the Ames case just stunned everybody, I mean, you know, just stunned them for a long time.

Mr. TENET. Well, Senator, in an intelligence organization you can have no worse event occur than treason in the ranks.

Senator SHELBY. You were staff director here what, 8 years?

Mr. TENET. I was the staff director for 4½ years.

Senator SHELBY. Four and a half.

Mr. TENET. It seemed like 8 years, Senator.

Senator SHELBY. Okay; 8 years. Or 9, or 10. [General laughter.]

Now, during that time that you were here, the Ames case had not been broken, had it not? This came after you left here or about the time?

Mr. TENET. Yes, sir. I mean, we go back and look at the chronology of events, it's clear that people knew back in 1985-86 that there was damage that was occurring with regard to Russian assets that had nothing to do with Howard or other espionage cases. So the Ames case went on for a very long time before this committee was brought in on it. I mean, we were brought in very, very late.

Senator SHELBY. When was this committee brought in? Just a judgment.

Mr. TENET. I can't say that, Senator. I think I was gone.

Senator SHELBY. OK.

Mr. TENET. I don't know when that information was imparted, but I certainly wasn't at the committee at that time.

Senator SHELBY. If you're confirmed, which I am sure you will be, as Deputy Director, and you are over at Langley and you had, Heaven forbid, but if we had a situation similar to that or something like it, didn't you think it would be proper to bring this committee in earlier as to the loss of such assets as that?

Mr. TENET. Yes, sir, absolutely.

Senator SHELBY. And was this a decision, I guess internally by the Director keep us—keep this committee from knowing?

Mr. TENET. I can't speak to that, Senator. I just——

Senator SHELBY. You just know what happened, don't you.

Mr. TENET. I don't know the facts there.

Senator SHELBY. But you know this committee was not brought in. Was not informed, not timely.

Mr. TENET. That's correct.

Senator SHELBY. How are you going to change, Mr. Tenet, the culture of the CIA? You know, there's a lot been written about the culture.

Mr. TENET. Senator, I—culture is a funny word.

Senator Shelby. It is. It is. It's broad and it's narrow.

Mr. TENET. Let me answer it the only way I know how to answer it. I think the Director has noted, you have to establish standards of performance and accountability, competence, from the top to the bottom. You have to establish bright yellow lines that people don't cross. There have to be consequences for crossing those lines. And I think that that is the message that has to be imparted. And that is the only way to do it. And the work force has to understand that there is one set of standards, and that everybody lives by them. And in that way, I think you'll get better performance and a more responsive work force. And a work force, by the way, that is enormously responsive today. So I think that's the way you do it, Senator.

Senator SHELBY. How long do you think it will take the Director and you and others working over there to do this, to change it, to turn it around? You do have a lot of bright people there, you know. They do a great job.

Mr. TENET. Senator, I said in my opening statement that this is—

Senator SHELBY. Will it take a year?

Mr. TENET. I can't put a box around it.

Senator SHELBY. I know that. It's just a judgment.

Mr. TENET. I can only say that this is a work force that wants to be led and challenged and held accountable, as I said in my opening statement.

Senator SHELBY. Maybe channeled in new directions?

Mr. TENET. I think that, too, sir. And I think that—I hope it's sooner than a year. I think the director believes he is making good progress today and I think that this is something that we will work on very, very hard—

Senator SHELBY. Is this the No. 1 priority over there?

Mr. TENET. It has to be.

Senator SHELBY. Has to be. Everything pales besides this.

Mr. TENET. That's correct.

Senator SHELBY. OK.

Thank you, Mr. Chairman.

Chairman SPECTER. Thank you very much, Senator Shelby.

Mr. Tenet, you talked about, in your opening statement, that there would be no policy preferences articulated by you. And there was this considerable concern by the committee on the Director's being in the Cabinet because of the issue of mixing policy and facts. I will not ask you your view of whether the Director ought to be in the Cabinet, but I will ask you how you're going to keep policy out of the picture, given the Director's presence in the Cabinet, and your possible entry to the Cabinet in his place, at least when we have the State of the Union speeches and he might be out of town some evening.

Mr. TENET. Senator, I don't think this is a difficult thing to do. I believe that intelligence and our assessments simply have to be straightforward. We will tell you what the facts are. We will tell you what we know and we will tell you what we don't know.

Chairman SPECTER. Do you think it has ever been a problem? For example, during the administration of some prior Directors?

Mr. TENET. Senator, we went through, as you recall, we went through a very lengthy and difficult set of proceedings over Mr. Gates' confirmation where we had the analytical community split down the middle. People coming in basically believing that judgments were cooked. Others arguing in the other direction. It is our primary mission to ensure that our analysts and our operators believe that all we are asking for is their best judgments without prejudice to what policymakers may want to hear, and that is a standard we will relentlessly adhere to.

Chairman SPECTER. Well, bear in mind that that is a very high priority with the committee as you work through the process.

Mr. TENET. Yes, Senator.

Chairman SPECTER. It is not hard to articulate an answer to avoid policy, but I think you are going to find it very difficult and perhaps you will have special expertise in avoiding it because you saw a fair amount of it to the contrary.

Have you discussed with President Clinton his expectations of your role as Deputy Director?

Mr. TENET. Senator, I haven't spoken to the President personally. Mr. Lake and the President spoke. Mr. Lake spoke to me about that conversation and the President extended his hopes that I would join John Deutch's team to be part of the renewal that he has talked about.

Chairman SPECTER. Anything more specific from the President through Mr. Lake or Mr. Lake himself in defining their expectations of you?

Mr. TENET. Well, Senator, I wouldn't want to characterize those conversations to you, but their intimate involvement with creating a Presidential decision directive and establishing intelligence priorities is something that they believe we have to drive home very, very clearly, and that is a matter of utmost priority to the President and to Mr. Lake.

Chairman SPECTER. Mr. Tenet, what is your view as to the controversial subject of the disclosure of the total CIA budget?

Mr. TENET. Senator, I think I will align myself with Director Deutch on that issue. I can't say that there is any great national security harm that will come from the disclosure of an aggregate budget. He has expressed some concerns about where that leads us in terms of congressional budget process and whether there are pressures for more disclosure.

I believe the blue ribbon commission that we—that you have created by statute was tasked to look at this issue. I would like to see what they take a look at and come up with. But my general view is that so long as we have assurances that the top number isn't subjected to more intrusive inspections so that people don't ask us about specific line items, I think it is probably something that we can manage over time.

Chairman SPECTER. Mr. Tenet, you have followed, I am sure, the developments in Guatemala. I'll be interested in your assessment of the nature of that problem and what action the CIA ought to take to deal with it.

Mr. TENET. Senator, this is obviously a very difficult problem. There are some aspects of this that I would like to talk to you about in closed session, if we could. But let me do this very, very clearly.

This is an instance where, take Guatemala or any country, where the CIA may establish liaison relationships—where the CIA may establish liaison relationship with the service. Our responsibility in taking a look at those relationships is to ensure, one, that our national interest is being pursued properly; two, that to the extent we pursue those relationships, there is information that we get out of that that is better than we give; three, that we relentlessly continue to evaluate the people we recruit, the liaison relationships we maintain, so as to ensure that these aren't put on automatic pilot, that there are standards that guides the way we look at these relationships.

In the case of Guatemala, obviously, we should have paid more attention to human rights and the activities of some of the people and liaison services as they pertain to human rights.

So there has to be standards. Our pursuit of those relationships has to be a conscious decision, there has to be management approval of those things, and they have to be evaluated all the time. They can't just be left to go off and operate on their own.

Chairman SPECTER. Mr. Tenet, to what extent are you familiar with the progress of women in the CIA being promoted to the upper echelon of managerial responsibility?

Mr. TENET. Senator, I don't have a direct knowledge base to answer you on that question. I am aware that Director Woolsey, for example, thought it was a very, very important thing. I can't tell you—there aren't enough women in senior management positions. We can ascertain that by just looking around. But in terms of a track record and how it's done and how it should be done better, this is an issue that once, if I am confirmed, I would like to take a look at very, very carefully.

Chairman SPECTER. Do you think there should be more women in top management position than there are at the present time?

Mr. TENET. Senator, I think there probably are many more competent women who have not been promoted that deserve to be promoted, but I think this is—this issue of competence across the board is something I would like to look at when I get out there, if I am confirmed.

Chairman SPECTER. Well, I am inferring that that is a qualified yes, or perhaps an unqualified yes.

Mr. TENET. Well, let's say it's a yes, Senator.

Chairman SPECTER. OK.

There has been considerable comment in the press about sex discrimination in the CIA which may or may not be related to the promotion issue. There has been recently a class action which was litigated and the settlement approved over some objections. Are you in a position to give us any evaluation of that issue with respect to the Agency?

Mr. TENET. With regard to? I'm sorry, Senator.

Chairman SPECTER. Well, do you think there is sex discrimination at the Agency?

Mr. TENET. Senator, I have never worked in the building. I can't make a first hand determination, but I will say this, the fact—the fact of some of these allegations is deeply troubling, and the fact that—that these court cases arose is deeply troubling. And where there is smoke there may be some fire, and we need to go after it and take a look at it very, very carefully.

Chairman SPECTER. We will be asking these questions and others as we proceed through the process, if you are confirmed.

And I will yield now to our distinguished Vice Chairman, Senator Kerrey.

Vice Chairman KERREY. Thank you very much, Mr. Chairman.

Mr. Tenet, one of the most difficult things it seems to me with intelligence is making the presentation so that the person that has to make the decision understands what's being presented. And I will just tell you in the category, for your information, that in a recent closed hearing that presentation was made on the question of Iran's nuclear program, and I said to the person that was making the presentation, who had made a good faith effort—this was not a question of competency at all—that I had a better understanding of what was going on after reading Elaine Sciolino's article in the New York Times.

And I say that because very often that's the case, and if—in other words, if we don't get a presentation, a policymaker doesn't get a presentation that's clear, coherent, and as understandable as what we're getting from the press, two things happen. Either we are—the demand on the product is going to decline. Why bother is the question that will come to mind. Why bother going through the effort of gathering all this if the presentation isn't as good as what we are getting from open source. Or we will falsely acquire an understanding based upon only open source information.

And I say that to you because I think the presentations need improvement.

Now, one of the problems that the committee has seen in particular this year is that as we downsize agencies, the percentage of the budget that is allocated for personnel increases, and we end up short on the R&D side. That seems to me to be a problem across the board, and yet we're also at the same time dealing with, you know, I think serious personnel problems. That the Agency, any agency and organization is only as good as the people that are operating in it. And I am curious if you think the current Civil Service model is sufficient in order to be able to both recruit and retain inside of our intelligence operations.

Mr. TENET. Senator, I have never thought about the current Civil Service model. I don't have a view about that. I would have to think about that a little bit.

But I will say this in answer to your question. One of the things that it seems we have to do better in the Intelligence Community—and I really believe in—is this accessing laterally people with real expertise in issue areas, outside experts, people who have worked in business, people who have world perspectives. That's the way you nurture people and grow them. And it seems to me one of the

things we need to do is bring more people in with that kind of profound experience from the outside. And that is not starting someone as a GS-6 and making them an SIS-6 because—I am really not wedded to convention about how we get good people. But I think one of the things we need to do is adjust our personnel practices so that we can go get world class experts, bring them in for a period of time, have them mentor our people so that they have people to look up to.

Vice Chairman KERREY. I think that kind of an idea is really worth following up on, because—and you know, we get a very real time example of what happens with intelligence—I am not sure it's a failure, but certainly that happens when you have got a blind spot in intelligence with a downing of Captain O'Grady's plane. Again, I am not saying that we have an intelligence failure there. But when you send a pilot out to cut across hostile territory, the possibility of being ambushed is fairly dramatic and fairly real. And it seems to me that that is a pretty good visual image to apply to other areas of our intelligence effort. And there is no substitute in the end for the people that can take that data, those 1's and 0's, or whatever it is that's an image or whatever, and convert it into something you bring it up to somebody like myself or the President or whoever that has to make a decision.

So I hope that you'll—whether it's the up or out policy or some other change, I hope that you'll turn to this committee and ask for our help in doing whatever you need to do to keep those personnel sharp, including sending the word down and/or up the food chain to let people understand that we really do appreciate the risks that they take for us.

Can you talk to me a bit—I mean, one of the things that we do when we have secrecy and protect secrecy, and I think—I think—I know and feel very strongly that there are things that must be kept secret. And that declaration, by the way, is not universally embraced, and that conclusion is not universally embraced. But when we keep things secret from our potential enemies, or when we keep things secret for other reasons, we're asking to be trusted.

Mr. TENET. Absolutely.

Vice Chairman KERREY. Because in our society, in a democracy, in a Government of, by and for the people, we depend upon the citizens having information upon which they can make decisions. So we're saying basically, the contract is, trust us, we're keeping these things secret not from you so that you don't get the information and think badly of us, but we're keeping the information from a potential adversary so that these operators that are out on a line like Captain O'Grady or whoever it is that is out there operating on a line, can get the information in a secure fashion so as to be able to execute whatever mission that they have out there at the other end of the tether line.

And I ask you, what's—what would your conditions have to be where you would come to the committee and you say look, here's a mistake that's been made, whether it's a mistake with personnel or a mistake with an appropriation or a mistake of some kind or like the NRO building that we had last year, where we say, look, we've got to take this to the American people, we've got to open the door, we've got to breathe some air in here, otherwise what hap-

pens is we don't get the kind of accountability required to make sure that we adjust and improve our behavior.

Mr. TENET. Well, Senator, I think that in situations like that, our responsibility is to work with you to figure out ways to ensure that in doing so we are really protecting sources and methods. I mean, we have to work hard to do that. That's basically our business. And my charter will be to protect sources and methods. But we'll do it in way that's realistic and you don't stand on it forever and a day, particularly where you have to keep the trust and confidence of the American people. But I hope we can work out, Senator, when you feel that we have such an occasion, I hope that we will be responsive and work through problems like that together in a way that meets a higher objective from time to time.

Vice Chairman KERREY. I notice when I was gone the chairman or another member of the Committee asked you if you agreed with Director Deutch on the question of having the top number public and you said that there was probably no harm. Is that correct?

Mr. TENET. Senator, the only issue I raised is how the congressional budget process then works to protect that top line from further erosion. That is something we should all be concerned about. It is not far from there to components and programs and that's something I think we all need to think through very, very carefully.

Vice Chairman KERREY. Thank you.

Chairman SPECTER. Thank you very much, Senator Kerrey.

Senator Shelby.

Senator SHELBY. I don't have any other questions.

Vice Chairman KERREY. Mr. Chairman, I have a statement that Senator Baucus wanted me to put in the record.

Chairman SPECTER. Senator Baucus' statement will be admitted into the record, and the record will be open for other statements and my full statement will be included in the record as well, without objection.

[The statements of Senator Baucus and Chairman Specter follow:]

OPENING STATEMENT OF SENATOR MAX BAUCUS

Thank you Mr. Chairman. I also would like to add my personal welcome to Mr. Tenet. I am very much aware of Mr. Tenet's fine work on behalf of the Senate Intelligence Committee and believe that the President's decision to nominate him as the Deputy Director of Central Intelligence is an excellent one.

Mr. Tenet you left an important legacy when you departed as the staff director of the Senate Intelligence Committee. You demonstrated an outstanding ability to understand the things that drive Congressional and public interest, and you clearly showed your acute knowledge of intelligence operations. Now you are going to put that knowledge to the test as you take on an extremely important position.

I recently saw in the newspaper that "intelligence professionals" at the CIA are criticizing the new leadership put into place by Director Deutch. The critics seem to believe that the "political operatives" are incapable of understanding and directing intelligence operations. If the report is true, then this is one more indicator that some people at the CIA just don't get it.

The CIA is in trouble. It is in trouble because it has lost the confidence of the American people. Too many recent revelations demonstrate that the Agency is on the wrong track and is in danger of a train wreck. Anyone who doubts the seriousness of the problem should read this Committee's report on the Ames' spy case. Yet, there are some at the agency who believe that the problems either are not particularly serious or are isolated are rare.

Equally troubling is the "intelligence professionals" engaging in political discussions in the newspapers. America's Intelligence Community prides itself on providing its unvarnished assessments to the political leadership, regardless of the par-

tisan politics. But now it appears that some intelligence people, who regard themselves as intelligence professionals, are engaging in a public debate about the leadership of their organization. To me, this questions their self-described identity as professionals.

Restoring American confidence in the CIA will be a painstaking task. Mr. Tenet, you will be an important part of restoring that confidence. If you and Director Deutch fail at this task then I am very concerned about how long the Agency can last. And, if some people at the Agency do their best in undermining Director Deutch's and your ability to lead effectively, then they—and not you—will have sealed the Agency's fate. Those are the unfortunate facts.

So, Mr. Tenet, I welcome you and want you to know that you and the Director have my full support. You have a crucial task in front of you, and I am confident that you both have the ability to successfully accomplish it.

STATEMENT BY CHAIRMAN ARLEN SPECTER

The committee meets today to consider the nomination of George J. Tenet to be Deputy Director of Central Intelligence—the number two position in the U.S. Intelligence Community. Mr. Tenet is certainly no stranger to this committee, having served as staff director for over four years.

Mr. Tenet, on behalf of the committee, I would like to warmly welcome you, your wife, Stephanie; your son, John Michael; and the rest of your family and friends who have accompanied you here today.

Consideration of this nomination comes at a pivotal juncture for United States intelligence. Today's Intelligence Community is challenged to define itself in a post-cold war world, which remains dangerous and unstable—as the current situation in Bosnia reflects. Global threats from international terrorism, the world-wide trafficking in illicit narcotics, the proliferation of weapons of mass destruction, and the expansion of international organized crime networks present the Intelligence Community with widely dispersed and very complicated targets.

The challenge for the new Deputy Director of Central Intelligence will be to assist Director Deutch in providing accurate and timely information to U.S. policy makers on the many threats to U.S. national security. We will address these and other issues today with you, Mr. Tenet, to include:

Restructuring of the Intelligence Community in light of today's increasingly constrained budget environment.

The impact on U.S. national security as a result of the number of espionage cases in recent years such as Aldrich Ames, Jonathan Pollard, Edward Lee Howard, Larry Wu-Tai Chin, and the Walker-Whitworth spy ring. These are just a few. In the last 10 years, there have been over 37 espionage cases involving Americans.

Revelations in the past year have caused an erosion in the public's confidence in the Intelligence Community's ability to do its job. This has been characterized by a lack of accountability in the Aldrich Ames debacle, charges of widespread sex discrimination at the CIA, and questions about past intelligence practices in Central America. Many Americans have a sense—justified or not—of an outdated and ineffective bureaucracy which is resistant to change and reform.

All of this places our intelligence apparatus at a critical crossroads. The Commission on the Roles and Capabilities of the United States Intelligence Community—which was initiated by this committee last year—has begun its review of the current effectiveness of the Intelligence Community. And this committee and our house counterpart committee have begun reviews of the Intelligence Community with an eye toward making recommendations and enacting legislative changes to fix these problems. But I would stress the obvious: the primary impetus for change and reorganization of the Intelligence Community must come from the leadership. And that leadership must come from you and Director Deutch.

That is the challenge you are facing, Mr. Tenet, and challenge of leadership. The question this committee will ask is do you have this leadership ability? Also, what will be your role as the Deputy Director of Central Intelligence?

The committee is anxious to hear your views on these issues facing the U.S. Intelligence Community—and how you intend to work in partnership with Director Deutch in leading American intelligence into the 21st century.

Chairman SPECTER. We will be submitting some further questions, Mr. Tenet, and at this time we are going to go into closed session, and we are going to be asking you to come back 90 days from now and give us a more detailed response to the questions

which we have asked today and some other questions which we'll have for you at that time.

So this open hearing is now adjourned.

Mr. TENET. Thank you, Senator.

[Thereupon, at 3:45 p.m., the hearing was adjourned.]



United States
Office of Government Ethics
 1201 New York Avenue, NW., Suite 500
 Washington, DC 20005-3917

SSCI#95-23601

W/45-0124

May 30, 1995

The Honorable Arlen Specter
 Chairman
 Select Committee on Intelligence
 United States Senate
 Washington, DC 20510-6475

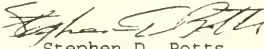
Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by George J. Tenet, who has been nominated by President Clinton for the position of Deputy Director, Central Intelligence Agency.

We have reviewed the report and have also obtained advice from the Central Intelligence Agency concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is a letter dated May 22, 1995 from John A. Rizzo, Designated Agency Ethics Official, Central Intelligence Agency, outlining the steps Mr. Tenet will take to avoid conflicts of interest.

Based thereon, we believe that Mr. Tenet is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,


 Stephen D. Potts
 Director

Enclosures

SELECT COMMITTEE ON INTELLIGENCE
UNITED STATES SENATE

**QUESTIONNAIRE FOR COMPLETION BY
PRESIDENTIAL NOMINEES**

PART A - BIOGRAPHICAL INFORMATION

1. NAME: George J. Tenet
2. DATE AND PLACE OF BIRTH: January 5, 1953 - Flushing, New York
3. MARITAL STATUS: Married
4. SPOUSE'S NAME: A. Stephanie Glakas-Tenet
5. SPOUSE'S MAIDEN NAME IF APPLICABLE: A. Stephanie Glakas
6. NAMES AND AGES OF CHILDREN:

<u>NAME</u>	<u>AGE</u>
John Michael Tenet	8

7. EDUCATION SINCE HIGH SCHOOL:

<u>INSTITUTION</u>	<u>DATES ATTENDED</u>	<u>DEGREE RECEIVED</u>	<u>DATE OF DEGREE</u>
Suny College at Cortland	1971-1973		
Georgetown University	1973-1976	B.S.F.S.	May 1976
Columbia University	1976-1978	M.I.A.	May 1978

8. EMPLOYMENT RECORD (LIST ALL POSITIONS HELD SINCE COLLEGE, INCLUDING MILITARY SERVICE. INDICATE NAME OF EMPLOYER, POSITION, TITLE OR DESCRIPTION, LOCATION AND DATES OF EMPLOYMENT.)

EMPLOYER	POSITION/TITLE	LOCATION	DATES
American Hellenic Institute Public Affairs Committee	Director of Research	Washington, DC	1978/79
Solar Energy Industries Association	Director, International Programs	Washington, DC	1979-82
Senator John Heinz	Legislative Assistant/ Director	Washington, DC	1982-85
U.S. Senate Select Committee on Intelligence	Professional/Staff Member	Washington, DC	1985-88
U.S. Senate Select Committee on Intelligence	Staff Director	Washington, DC	1988-93
During December of 1992--served on President-elect Clinton's National Security Transition Team. Co-directed the evaluation of the Intelligence Community for the President elect.			
National Security Council	Special Assistant to the President for National Security Affairs & Senior Director for Intelligence Programs	Washington, DC	1993- Present

9. GOVERNMENT EXPERIENCE (INDICATE EXPERIENCE IN OR ASSOCIATION WITH FEDERAL, STATE OR LOCAL GOVERNMENTS, INCLUDING ADVISORY, CONSULTATIVE, HONORARY OR OTHER PART-TIME SERVICE OR POSITION. DO NOT REPEAT INFORMATION ALREADY PROVIDED IN ANSWER TO QUESTION 8):

10. HONORS AND AWARDS (PROVIDE INFORMATION ON SCHOLARSHIPS, FELLOWSHIPS, HONORARY DEGREES, MILITARY DECORATIONS, CIVILIAN SERVICE CITATIONS, OR ANY OTHER SPECIAL RECOGNITION FOR OUTSTANDING PERFORMANCE OR ACHIEVEMENT):

Agency Seal Medallion - Central Intelligence Agency
Awarded December 1992

11. ORGANIZATIONAL AFFILIATIONS (LIST MEMBERSHIPS IN AND OFFICES HELD WITHIN THE LAST TEN YEARS IN ANY PROFESSIONAL CIVIC, FRATERNAL, BUSINESS, SCHOLARLY, CULTURAL, CHARITABLE OR OTHER SIMILAR ORGANIZATIONS):

<u>ORGANIZATION</u>	<u>OFFICE HELD</u>	<u>DATES</u>
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Steering Committee, Intelligence Assessment & Policy Project John F. Kennedy School of Government, Harvard University (1989 - Present)		
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Study Group on Angola, Center for Strategic & International Studies Washington, DC (1991-92)		
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12. PUBLISHED WRITINGS AND SPEECHES (LIST THE TITLES, PUBLISHERS, AND PUBLICATION DATES OF ANY BOOKS, ARTICLES, REPORTS OR OTHER PUBLISHED MATERIALS YOU HAVE AUTHORED. ALSO LIST THE TITLES OF ANY PUBLIC SPEECHES YOU HAVE MADE WITHIN THE LAST 10 YEARS FOR WHICH THERE IS A TEXT OR TRANSCRIPT. TO THE EXTENT POSSIBLE, PLEASE PROVIDE A COPY OF EACH SUCH PUBLICATION, TEXT OR TRANSCRIPT.

Testimony before House International Economic Policy and Trade Subcommittee on "US International Energy Strategies" for commercial foreign markets and oil importing developing countries; Foreign Assistance Legislation for FY 1982 Part IV, H381-79.1, 11 March 1981

PART B - QUALIFICATION AND REFERENCES13. QUALIFICATIONS (DESCRIBE WHY YOU BELIEVE YOU ARE QUALIFIED TO SERVE IN THE POSITION FOR WHICH YOU HAVE BEEN NOMINATED):

My professional experiences in Congressional oversight and at the National Security Council provide strong preparation, if I am confirmed, for the position of Deputy Director of Central Intelligence. I have a thorough understanding of the intelligence needs of senior policymakers and military commanders, the importance of Congressional oversight, and the critical issues which must be addressed to strengthen the performance of U.S. intelligence in the future.

My experience at the Senate Select Committee on Intelligence and the National Security Council has touched nearly every major resource, technology, analytical and operational issue which have confronted U.S. intelligence. For nearly a decade, I have sought solutions to many difficult problems confronting the Intelligence Community. At the National Security Council, this has included the coordination of Presidential Decision Directives on "Intelligence Priorities" and "U.S. Counterintelligence Effectiveness," and the management of the formulation and oversight of covert action initiatives and programs. At the Senate Intelligence Committee it included initiatives to enhance human intelligence collection and work on comprehensive legislation to reorganize U.S. intelligence.

Perhaps most important to my ability to serve as Deputy Director of Central Intelligence is the fact that I have the trust and confidence of the Director, John Deutch. If confirmed, I will join him in a determined effort to restore the morale of what I believe is the best work force in the United States Government. We will together set standards of excellence and performance, which over the course of time, will ensure that U.S. intelligence continues to provide the President, senior policymakers, and military commanders with the unique and timely intelligence required to advance the national security interests of the United States.

14. REFERENCES (PROVIDE THE NAMES AND BUSINESS ADDRESSES AND TELEPHONE NUMBERS OF FIVE INDIVIDUALS WHOM YOU BELIEVE ARE IN A POSITION TO COMMENT ON YOUR QUALIFICATIONS TO SERVE IN THE POSITION FOR WHICH YOU HAVE BEEN NOMINATED. INCLUDE THREE INDIVIDUALS WHO HAVE KNOWN YOU FOR AT LEAST FIVE YEARS):

<u>NAME</u>	<u>BUSINESS ADDRESS</u>	<u>PHONE</u>	<u>YEARS KNOWN</u>
1. Senator David Boren	President's Office University of Oklahoma 660 Parrington Oval Room 110 Norman, Oklahoma 73019	405/325-4916	9
2. Dr. John Deutch	Director of Central Intelligence Central Intelligence Agency Washington, DC 20505	703/482-6363	6
3. Mr. Anthony Lake	National Security Council 1600 Pennsylvania Avenue, NW Washington DC 20500	202/456-9491	2
4. Mr. Eli Jacobs	641 Lexington Avenue 30 FL New York, NY 10022	212/688-7110	7
5. Mr. David Cohen	Associate Deputy Director for Intelligence Central Intelligence Agency Washington, DC 20505	703/482-4080	8

PART C - POLITICAL AND FOREIGN AFFILIATIONS

15. POLITICAL ACTIVITIES (LIST ANY MEMBERSHIPS OR OFFICES HELD IN OR FINANCIAL CONTRIBUTIONS OR SERVICES RENDERED TO, ANY POLITICAL PARTY, ELECTION COMMITTEE, POLITICAL ACTION COMMITTEE, OR INDIVIDUAL CANDIDATE DURING THE LAST TEN YEARS):

1994

Friends of John Deeken (Candidate for Wisconsin State Senate)
\$100 Contribution made on June 22, 1994

Citizens for Sarbanes

\$100 Contribution made on July 12, 1994

1993

Democratic National Committee

\$20 Contribution made on May 10, 1993

McCabe for City Council (Candidate for New York City Council)

\$50 Contribution made on May 10, 1993

Maryland Public Interest Research Group (PIRG)

\$20 Contribution made on May 10, 1993

1991

Joan Griffin McCabe for City Council

\$75 Contribution made on May 10, 1991

1989

Clean Water Action

\$24 Contribution made on June 20, 1989

16. CANDIDACY FOR PUBLIC OFFICE (FURNISH DETAILS OF ANY CANDIDACY FOR ELECTIVE PUBLIC OFFICE):

N/A

17. FOREIGN AFFILIATIONS

NOTE: QUESTIONS 17A AND B ARE NOT LIMITED TO RELATIONSHIPS REQUIRING REGISTRATION UNDER THE FOREIGN AGENTS REGISTRATION ACT. QUESTIONS 17 A, B, AND C DO NOT CALL FOR A POSITIVE RESPONSE IF THE REPRESENTATION OR TRANSACTION WAS AUTHORIZED BY THE UNITED STATES GOVERNMENT IN CONNECTION WITH YOUR OR YOUR SPOUSE'S EMPLOYMENT IN GOVERNMENT SERVICE.

A. HAVE YOU OR YOUR SPOUSE EVER REPRESENTED IN ANY CAPACITY (E.G., EMPLOYEE, ATTORNEY, BUSINESS, OR POLITICAL ADVISER OR CONSULTANT), WITH OR WITHOUT COMPENSATION, A FOREIGN GOVERNMENT OR AN ENTITY CONTROLLED BY A FOREIGN GOVERNMENT? IF SO, PLEASE FULLY DESCRIBE SUCH RELATIONSHIP.

No

B. IF YOU OR YOUR SPOUSE HAS EVER BEEN FORMALLY ASSOCIATED WITH A LAW, ACCOUNTING, PUBLIC RELATIONS FIRM OR OTHER SERVICE ORGANIZATION, HAVE ANY OF YOUR OR YOUR SPOUSE'S ASSOCIATES REPRESENTED, IN ANY CAPACITY, WITH OR WITHOUT COMPENSATION, A FOREIGN GOVERNMENT OR AN ENTITY CONTROLLED BY A FOREIGN GOVERNMENT? IF SO, PLEASE FULLY DESCRIBE SUCH RELATIONSHIP.

No

C. DURING THE PAST TEN YEARS, HAVE YOU OR YOUR SPOUSE RECEIVED ANY COMPENSATION FROM, OR BEEN INVOLVED IN ANY FINANCIAL OR BUSINESS TRANSACTIONS WITH, A FOREIGN GOVERNMENT OR ANY ENTITY CONTROLLED BY A FOREIGN GOVERNMENT? IF SO, PLEASE FURNISH DETAILS.

No

D. HAVE YOU OR YOUR SPOUSE EVER REGISTERED UNDER THE FOREIGN AGENTS REGISTRATION ACT? IF SO, PLEASE FURNISH DETAILS.

No

18. DESCRIBE ANY LOBBYING ACTIVITY DURING THE PAST TEN YEARS, OTHER THAN IN AN OFFICIAL U.S. GOVERNMENT CAPACITY, IN WHICH YOU OR YOUR SPOUSE HAVE ENGAGED FOR THE PURPOSE OF DIRECTLY OR INDIRECTLY INFLUENCING THE PASSAGE, DEFEAT OR MODIFICATION OF LEGISLATION AT THE NATIONAL LEVEL OF GOVERNMENT, OR FOR THE PURPOSED OF AFFECTING THE ADMINISTRATION AND EXECUTION OF NATIONAL LAW OR PUBLIC POLICY.

None

PART D - FINANCIAL DISCLOSURE AND CONFLICT OF INTEREST

19. DESCRIBE ANY EMPLOYMENT, BUSINESS RELATIONSHIP, FINANCIAL TRANSACTION, INVESTMENT, ASSOCIATION OR ACTIVITY (INCLUDING, BUT NOT LIMITED TO, DEALINGS WITH THE FEDERAL GOVERNMENT ON YOUR OWN BEHALF OR ON BEHALF OF A CLIENT), WHICH COULD CREATE, OR APPEAR TO CREATE, A CONFLICT OF INTEREST IN THE POSITION TO WHICH YOU HAVE BEEN NOMINATED.

The CIA Designated Agency Ethics Official, in a letter to the Office of Government Ethics dated 22 May 1995, determined that there were no unresolved conflicts of interest regarding my nomination as DDCI. AS noted on Schedule A of my SF-278 financial disclosure form, I hold interests in common stock in several companies. Four of these companies, (AT&T, NYNEX, Bell Atlantic, and Bell South), have contractual relations with CIA. I have pledged to disqualify myself in writing from participating in any particular matter which could have a direct and predictable effect on the financial interests of these four companies.

20. DO YOU INTEND TO SEVER ALL BUSINESS CONNECTIONS WITH YOUR PRESENT EMPLOYERS, FIRMS, BUSINESS ASSOCIATES AND/OR PARTNERSHIPS OR OTHER ORGANIZATIONS IN THE EVENT THAT YOU ARE CONFIRMED BY THE SENATE? IF NOT, PLEASE EXPLAIN.

Yes

21. DESCRIBE THE FINANCIAL ARRANGEMENTS YOU HAVE MADE OR PLAN TO MAKE, IF YOU ARE CONFIRMED, IN CONNECTION WITH SEVERANCE FROM YOUR CURRENT POSITION. PLEASE INCLUDE SEVERANCE PAY, PENSION RIGHTS, STOCK OPTIONS, DEFERRED INCOME ARRANGEMENTS AND ANY AND ALL COMPENSATION THAT WILL OR MIGHT BE RECEIVED IN THE FUTURE AS A RESULT OF YOUR CURRENT BUSINESS OR PROFESSIONAL RELATIONSHIPS.

Not Applicable

22. DO YOU HAVE ANY PLANS, COMMITMENTS OR AGREEMENTS TO PURSUE OUTSIDE EMPLOYMENT, WITH OR WITHOUT COMPENSATION, DURING YOUR SERVICE WITH THE GOVERNMENT? IF SO, PLEASE FURNISH DETAILS.

No

23. AS FAR AS CAN BE FORESEEN, STATE YOUR PLANS AFTER COMPLETING GOVERNMENT SERVICE. PLEASE SPECIFICALLY DESCRIBE ANY AGREEMENTS OR UNDERSTANDINGS, WRITTEN OR UNWRITTEN, CONCERNING EMPLOYMENT AFTER LEAVING GOVERNMENT SERVICE, IN PARTICULAR, DESCRIBE ANY AGREEMENTS, UNDERSTANDINGS OR OPTIONS TO RETURN TO YOUR CURRENT POSITION.

I have no plans. There are no agreements or understandings with regard to employment after government service, nor are there any understandings or options to return to my current position.

24. IF YOU ARE PRESENTLY IN GOVERNMENT SERVICE, DURING THE PAST FIVE YEARS OF SUCH SERVICE, HAVE YOU RECEIVED FROM A PERSON OUTSIDE OF GOVERNMENT AN OFFER OR EXPRESSION OF INTEREST TO EMPLOY YOUR SERVICES AFTER YOU LEAVE GOVERNMENT SERVICE?

No

25. IS YOUR SPOUSE EMPLOYED? IF THE NATURE OF THIS EMPLOYMENT IS RELATED IN ANY WAY TO THE POSITION FOR WHICH YOU ARE SEEKING CONFIRMATION, PLEASE INDICATE YOUR SPOUSE'S EMPLOYER, THE POSITION AND THE LENGTH OF TIME THE POSITION HAS BEEN HELD. IF YOUR SPOUSE'S EMPLOYMENT IS NOT RELATED TO THE POSITION TO WHICH YOU HAVE BEEN NOMINATED, PLEASE SO STATE.

No

26. LIST BELOW ALL CORPORATIONS, PARTNERSHIPS, FOUNDATIONS, TRUSTS, OR OTHER ENTITIES TOWARD WHICH YOU OR YOUR SPOUSE HAVE FIDUCIARY OBLIGATIONS OR IN WHICH YOU OR YOUR SPOUSE HAVE HELD DIRECTORSHIPS OR OTHER POSITIONS OF TRUST DURING THE PAST FIVE YEARS.

<u>NAME OF ENTITY</u>	<u>POSITION</u>	<u>DATES HELD</u>	<u>SELF OR SPOUSE</u>
-----------------------	-----------------	-------------------	-----------------------

None

27. LIST ALL GIFTS EXCEEDING \$500 IN VALUE RECEIVED DURING THE PAST FIVE YEARS BY YOU, YOUR SPOUSE OR YOUR DEPENDENTS. GIFTS RECEIVED FROM RELATIVES AND GIFTS GIVEN TO A SPOUSE OR DEPENDENT TOTALLY INDEPENDENT OF THEIR RELATIONSHIP TO YOU NEED NOT BE INCLUDED.

None

28. LIST ALL SECURITIES, REAL PROPERTY, PARTNERSHIP INTERESTS, OR OTHER INVESTMENTS OR RECEIVABLES WITH A CURRENT MARKET VALUE (OR, IF MARKET VALUE IS NOT ASCERTAINABLE, ESTIMATED CURRENT FAIR VALUE) IN EXCESS OF \$1,000. (NOTE: THE INFORMATION PROVIDED IN RESPONSE TO SCHEDULE A OF THE DISCLOSURE FORMS OF THE OFFICE OF GOVERNMENT ETHICS MAY BE INCORPORATED BY REFERENCE, PROVIDED THAT CURRENT VALUATIONS ARE USED.)

<u>DESCRIPTION OF PROPERTY VALUE</u>	<u>METHOD OF VALUATION</u>
--------------------------------------	----------------------------

Reference SF-278, Executive Branch Public Financial Disclosure dated 27 April 1995.

29. LIST ALL LOANS, MORTGAGES, OR OTHER INDEBTEDNESS (INCLUDING ANY CONTINGENT LIABILITIES) IN EXCESS OF \$10,000. (NOTE: THE INFORMATION PROVIDED IN RESPONSE TO SCHEDULE D OF THE DISCLOSURE FORM OF THE OFFICE OF GOVERNMENT ETHICS MAY BE INCORPORATED BY REFERENCE, PROVIDED THAT CONTINGENT LIABILITIES ARE ALSO INCLUDED.)

<u>NATURE OF OBLIGATION</u>	<u>NAME OF OBLIGEE</u>	<u>AMOUNT</u>
Home Mortgage on 10312 BellsMill Terrace Potomac, MD	Chevy Chase FSB Loan #121178-8	\$127,000

30. ARE YOU OR YOUR SPOUSE NOW IN DEFAULT ON ANY LOAN, DEBT OR OTHER FINANCIAL OBLIGATION? HAVE YOUR OR YOUR SPOUSE BEEN IN DEFAULT ON ANY LOAN, DEBT OR OTHER FINANCIAL OBLIGATION IN THE PAST TEN YEARS? IF THE ANSWER TO EITHER QUESTION IS YES, PLEASE PROVIDE DETAILS.

No

31. LIST SOURCES AND AMOUNTS OF ALL INCOME RECEIVED DURING THE LAST FIVE YEARS, INCLUDING ALL SALARIES, FEES, DIVIDENDS, INTEREST, GIFTS, RENTS, ROYALTIES, PATENTS, HONORARIA, AND OTHER ITEMS EXCEEDING \$500. (IF YOU PREFER TO DO SO, COPIES OF U.S. INCOME TAX RETURNS FOR THESE YEARS MAY BE SUBSTITUTED HERE, BUT THEIR SUBMISSION IS NOT REQUIRED.)

	1988	1989	1990	1991	1992
SALARY	\$65,808	\$79,750	\$84,250	\$91,625	\$120,394
FEE ROYALTIES					
DIVIDENDS	405	434	458	467	488
INTEREST	2,152	2,514	2,586	2,363	1,633
GIFTS					
RENTS	6,145	6,399	8,367	7,771	10,262
OTHER-EXCEEDING \$500					520
					CAPITAL GAINS
TOTAL	\$74,510	\$89,097	\$95,661	\$102,226	\$133,297 -

32. IF ASKED, WOULD YOU PROVIDE THE COMMITTEE WITH COPIES OF YOUR AND YOUR SPOUSE'S FEDERAL INCOME TAX RETURNS FOR THE PAST THREE YEARS?

Yes

33. HAVE YOUR FEDERAL OR STATE TAX RETURNS BEEN THE SUBJECT OF ANY AUDIT INVESTIGATION OR INQUIRY AT ANY TIME? IF SO, PLEASE PROVIDE DETAILS, INCLUDING THE RESULT OF ANY SUCH PROCEEDING.

No

34. ATTACH A SCHEDULE ITEMIZING EACH INDIVIDUAL SOURCE OF INCOME WHICH EXCEEDS \$500. IF YOU ARE AN ATTORNEY, ACCOUNTANT, OR OTHER PROFESSIONAL, ALSO ATTACH A SCHEDULE LISTING ALL CLIENTS AND CUSTOMERS WHOM YOU BILLED MORE THAN \$500 WORTH OF SERVICES DURING THE PAST FIVE YEARS.

Reference SF-278 Executive Branch Public Financial Disclosure dated 27 April, 1995

35. DO YOU INTEND TO PLACE YOUR FINANCIAL HOLDINGS AND THOSE OF YOUR SPOUSE AND DEPENDENT MEMBERS OF YOUR IMMEDIATE HOUSEHOLD IN A BLIND TRUST? IF YES, PLEASE FURNISH DETAILS.

No

36. EXPLAIN HOW YOU WILL RESOLVE ANY ACTUAL OR POTENTIAL CONFLICTS OF INTEREST THAT MAY BE INDICATED BY YOUR RESPONSE TO THE QUESTIONS IN THIS PART OR IN PART C (QUESTIONS 15 THROUGH 35).

I have pledged to disqualify myself in writing from participation in any particular matter which could have a direct and predictable effect on the financial interests of four CIA contractors in which I hold stock: AT&T, NYNEX, Bell Atlantic, and Bell South. In addition, in the event I am asked to participate in a particular matter that will have a direct and predictable effect on my other financial interests listed on Schedule A of my SF-278, I have agreed to disqualify myself in writing from participation in such matters.

To ensure that I do not take official action on matters for which I have executed a written disqualification statement, CIA will establish a screening arrangement. This screening arrangement will consist of a memorandum to all senior officials at CIA notifying them that I have been disqualified from taking action on particular matters affecting the four companies listed above. My Executive Assistants also will be given appropriate instructions to direct these matters so that they are not brought to my attention for action.

PART E - ETHICAL MATTERS

37. HAVE YOU EVER BEEN DISCIPLINED OR CITED FOR A BREACH OF ETHICS FOR UNPROFESSIONAL CONDUCT BY, OR BEEN THE SUBJECT OF A COMPLAINT TO, ANY COURT ADMINISTRATIVE AGENCY, PROFESSIONAL ASSOCIATION, DISCIPLINARY COMMITTEE OR OTHER PROFESSIONAL GROUP? IF SO, PROVIDE DETAILS.

No

38. HAVE YOU EVER BEEN INVESTIGATED, HELD, ARRESTED, OR CHARGED BY ANY FEDERAL, STATE OR OTHER LAW ENFORCEMENT AUTHORITY FOR VIOLATION OF ANY FEDERAL STATE, COUNTY, OR MUNICIPAL LAW, REGULATION, OR ORDINANCE, OTHER THAN A MINOR TRAFFIC OFFENSE, OR NAMED EITHER AS A DEFENDANT OR OTHERWISE IN ANY INDICTMENT OR INFORMATION RELATING TO SUCH VIOLATION? IF SO, PROVIDE DETAILS.

No

39. HAVE YOU EVER BEEN CONVICTED OF OR ENTERED A PLEA OF GUILTY OR NOLO CONTENDERE TO ANY CRIMINAL VIOLATION OTHER THAN A MINOR TRAFFIC OFFENSE? IF SO, PROVIDE DETAILS.

No

40. ARE YOU PRESENTLY OR HAVE YOU EVER BEEN A PARTY IN INTEREST IN ANY ADMINISTRATIVE AGENCY PROCEEDING TO CIVIL LITIGATION? IF SO, PROVIDE DETAILS.

No

41. HAVE YOU BEEN INTERVIEWED OR ASKED TO SUPPLY ANY INFORMATION AS A WITNESS OR OTHERWISE IN CONNECTION WITH ANY CONGRESSIONAL INVESTIGATION, FEDERAL OR STATE AGENCY PROCEEDING, GRAND JURY INVESTIGATION, OR CRIMINAL OR CIVIL LITIGATION IN THE PAST TEN YEARS? IF SO, PROVIDE DETAILS.

In 1995, I was deposed in my official capacity by plaintiffs' counsel in the case of Armstrong, et al v. Executive Office of the President, et al. My statement addressed the scope of my responsibilities as Special Assistant to the President and Senior Director for Intelligence Programs on the NSC Staff.

42. HAS ANY BUSINESS OF WHICH YOU ARE OR WERE AN OFFICER, DIRECTOR OR PARTNER BEEN A PARTY TO ANY ADMINISTRATIVE AGENCY PROCEEDING OR CRIMINAL OR CIVIL LITIGATION RELEVANT TO THE POSITION TO WHICH YOU HAVE BEEN NOMINATED? IF SO, PROVIDE DETAILS. (WITH RESPECT TO A BUSINESS OF WHICH YOU ARE OR WERE AN OFFICER, YOU NEED ONLY CONSIDER PROCEEDINGS AND LITIGATION THAT OCCURRED WHILE YOU WERE AN OFFICER OF THAT BUSINESS.)

No

PART F - ADDITIONAL INFORMATION

43. DESCRIBE IN YOUR OWN WORDS THE CONCEPT OF CONGRESSIONAL OVERSIGHT OF U.S. INTELLIGENCE ACTIVITIES. IN PARTICULAR, CHARACTERIZE WHAT YOU BELIEVE TO BE THE OBLIGATIONS OF THE DIRECTOR OF CENTRAL INTELLIGENCE, THE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE, AND THE INTELLIGENCE COMMITTEES OF THE CONGRESS RESPECTIVELY IN THIS PROCESS.

As the new Director of Central Intelligence has noted, secrecy and the activities of our Intelligence Community may not rest comfortably in an open, democratic society. Therefore, the Congressional oversight process plays an essential role in maintaining the trust and confidence of the American people in secret intelligence gathering activities. Effective oversight allows the elected representatives of our people to ensure that activities undertaken in the name of our country's national security interests are well managed, comply with our laws, and are consistent with our democratic values.

The oversight committees of the Congress provide an important and secure bipartisan forum for the President and his representatives to share sensitive information. Historically, the oversight process has provided constant support for the steady growth and improvement of our intelligence capabilities. The continuity of purpose and bipartisanship which have characterized the oversight process for many years represent a great strength of our democratic system.

If confirmed to the position of Deputy Director of Central Intelligence, I, along with the Director of Central Intelligence will vigorously adhere to our statutory responsibilities to keep the Committees fully and currently informed about covert activities, other significant anticipated intelligence activities, and intelligence failures.

However, while important, these statutory responsibilities should not be the sole basis of our dialogue with our oversight Committees. We are today on the verge of rethinking the role, missions, and organization of our Intelligence Community. In order to ensure that we continue to maintain an intelligence capability that is second to none, the President, the Congress, the Director of Central Intelligence, and senior leaders of the Intelligence Community must interact on the basis of candor, bipartisanship, and mutual trust.

If confirmed, I, along with the Director of Central Intelligence, will work to ensure that these principles are never allowed to erode. The American people and the men and women of U.S. intelligence deserve no less.

AFFIDAVIT

I, George J. Tenet, DO SWEAR THAT THE ANSWERS I
HAVE PROVIDED TO THIS QUESTIONNAIRE ARE, TO THE BEST OF MY KNOWLEDGE,
ACCURATE AND COMPLETE.

May 31, 1995
(Date)

George J. Tenet
(Name)

Barbara Rubino
(Notary)

Executive Branch PUBLIC FINANCIAL DISCLOSURE REPORT

<input type="checkbox"/> Reporting Status (Check appropriate box) <input type="checkbox"/> Incumbent		Calendar Year Covered by Report: _____	<input checked="" type="checkbox"/> New Entrant, Nominee or Candidate <input type="checkbox"/> Term in Office (Date of Appointment, Re-election, Election, Re-nomination, Re-election, Date of Term)	Termination Date (If Applicable) (Month, Day, Year)
Reporting Individual's Name: Tenet		First, Last and Middle Initial: George J.		Agency Use Only:
Position for Which Filing: Deputy Director, Central Intelligence Agency		Department or Agency (If Applicable): Central Intelligence Agency		MAY 25 1995
Location of Present Office (or receiving address): Room 300 OB0B, Washington, D.C.		Telephone No. (Include Area Code): (202) 456-9341		Fee for Late Filing Any individual who is required to file this report more than 30 days after the date the report is required to be filed, or, if an extension is granted, more than 30 days after the last day of the filing extension period shall be subject to a \$200 fee.
Position Held with the Federal Government (Using the Preceding 12 Months (If the Office is Active): Special Assistant to the President or National Security Affairs		Title of Position and Directly Held Office:		Reporting Periods Incumbents: The reporting period is the preceding calendar year except Part II of Schedule C and Part I of Schedule D where you must report the filing you file. Part II of Schedule D is not applicable. Termination Filers: The reporting period begins at the end of the reporting period covered by your previous filing and ends at the date of termination. Part II of Schedule D is not applicable. Nominees, New Entrants and Candidates for President and Vice President: Schedule A - The reporting period for income (BLOCK C) is the preceding calendar year and the current calendar year up to the date of filing. Value added in any calendar year that is reported within 31 days of the date of filing. Schedule B - Not applicable. Schedule C, Part I (Liabilities): The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing. Schedule C, Part II (Agreements or Arrangements): Show any agreements or arrangements as of the date of filing. Schedule D - The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.
Presidential Nominces Subject to Senate Confirmation: U.S. Senate Select Comm. on Intel.		Do You Intend to Create a Qualified Domestic Trust? <input type="checkbox"/> Yes <input type="checkbox"/> No		
Certification: I CERTIFY that the information I have made true, complete and correct to the best of my knowledge and belief.		Signature of Reporting Individual: <i>George J. Tenet</i>		Date (Month, Day, Year): April 27, 1995
Other Review (If derived by Agency):		Signature of Other Reviewer:		Date (Month, Day, Year):
Agency Ethics Official's Opinion: The information contained on this report is true and correct to the best of my knowledge and belief.		Signature of Designated Agency Ethics Official/Reviewing Official: <i>John A. Pige</i>		Date (Month, Day, Year): 5/25/95
Office of Government Ethics Use Only:		Signature: <i>Steph...</i>		Date (Month, Day, Year): 5/30/95
Comments of Reviewing Official (If additional space is required, use the reverse side of this sheet)				

SCHEDULE A

George J. Tenet

Page Number

2

Income: type and amount. If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item.

Valuation of Assets at close of reporting period

BLOCK B

Assets and Income

BLOCK A

Identify each asset held for the production of income which had a fair market value exceeding \$1,000 at the close of the reporting period

Identify each asset or source of income which generated over \$200 in income during the reporting period

None

Identify each asset held for the production of income which had a fair market value exceeding \$1,000 at the close of the reporting period	Valuation of Assets at close of reporting period										Income: type and amount										Date (Mo, Day, Yr) Only if "Other" specified Honorary							
	None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000	Dividends	Rent and Royalties	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Trust	Other (Specify Type)	None (or less than \$201)	\$201 - \$1,000	\$1,001 - \$2,500	\$2,501 - \$5,000		\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	Over \$1,000,000	Actual Amount Only if "Other" specified	
1 None <input type="checkbox"/>																												
2 General Airline Common																												
3 Ex. Div Jones & Smith, Hometown, USA																												
4 Scrippsport Equity Fund																												
5 Div Jones & Smith pension plan																												
6 1/3 owner w/E. Tenet & W. Tenet of commercial property 252-22 N. Blvd, Little Neck, NY																												
7 1/3 owner w/E. Tenet & W. Tenet of residential property 4228 Marathon Pkwy, Little Neck NY																												
8 1/4 owner w/E. Tenet & W. Tenet of condominiums, Athens, Greece																												
9 Queens County Savings Bank joint savings acct. w/E. Tenet Acct. #40-304666-1																												
10 American Cyanamid Common Stock																												
11 AT&T Common Stock																												

(*) See explanation on page 10

George J. Tenet

SCHEDULE A

Page number 3

Assets and Income

Valuation of Assets at close of reporting period

Income: type and amount. If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item.

BLOCK A	BLOCK B										BLOCK C										Date (Mo., Day, Yr.) Only if Honoraria				
	Valuation of Assets at close of reporting period										Type											Actual Amount Only if "Other" specified			
	None (or less than \$1,001)	\$1,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000	Dividends	Rent and Royalties	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Trust	Other (Specify Type)	None (or less than \$201)	\$201 - \$1,000	\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$15,000			\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000
Identify each asset held for the production of income which had a fair market value exceeding \$1,000 at the close of the reporting period. Identify each asset or source of income which generated over \$200 in income during the reporting period.																									
None <input type="checkbox"/>																									
Current Address Common																									
Ex. Due Jones & Smith, Huntington, USA																					\$100,000				
Empire Kingsphone Equity Fund																									
Due Jones & Smith pension plan																									
MANEX Common Stock	X															X									
Chevy Chase FSB, A. Stephanie Glakas-Tenet, custodian John M. Tenet MDJWA #034208699-5	X																X								
Chevy Chase FSB-joint checking	X																X								
G. Tenet/A. Stephanie Glakas-Tenet Acct. #034-320266-2	X																X								
Franklin Income Fund IRA George J. Tenet Acct. #90190076833																									
FPA Perennial IRA A. Stephanie Glakas-Tenet #42012689 exchanged to FPA Paramount Fund on 11/7/94																									
FPA Paramount Fund IRA A. Stephanie Glakas-Tenet Acct #50000767																									

U.S. Office of Government Ethics
Reporting Individual's Name
George J. Tenet

SCHEDULE A

Page Number
4

Income: type and amount. If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item.

Valuation of Assets
at close of
reporting period

Assets and Income

	BLOCK A	BLOCK B		BLOCK C		Date • (Mo., Day, Yr.) Only if Honorary
		Valuation of Assets at close of reporting period		Amount		
		None (or less than \$1,001)	\$1,001 - \$15,000 \$15,001 - \$50,000 \$50,001 - \$100,000 \$100,001 - \$250,000 \$250,001 - \$500,000 \$500,001 - \$1,000,000 Over \$1,000,000	None (or less than \$201)	\$201 - \$1,000 \$1,001 - \$2,500 \$2,501 - \$5,000 \$5,001 - \$15,000 \$15,001 - \$50,000 \$50,001 - \$100,000 \$100,001 - \$1,000,000 Over \$1,000,000	
	Identify each asset held for the production of income which had a fair market value exceeding \$1,000 at the close of the reporting period. Identify each asset or source of income which generated over \$200 in income during the reporting period. None <input type="checkbox"/>					
S.	General All-Iowa Common					
DC	Ex- One Jones & Smith, Horsham, USA					\$139,000
	or Kempsco Equity Fund					
J	FPA Paramount Fund Inc. Custodian John N. Tenet, UTMA Acct. # 5095070	X			X	
1	A. Stephanie Glakas-Tenet					
2	FPA Paramount Fund Inc. George Tenet/A. Stephanie Glakas-Tenet #5095060	X			X	
3	Putnam Convertible Income Growth Fund - IRA George J. Tenet Acct. # 08-3-074382557	X			X	
4	Smith Barney Money Funds				X	
5	Blackrock New York INSD MINI 2008 Term Trust Inc (sold on 12/22/94)				X	
6	AT&T Common Stock 1/3 owner W/E. Tenet and W. Tenet (*)				X	

Previous Editions Contain UK, Ltd

1998 Form 706
 United States Estate Tax Return
 For Decedent's Final Year

George J. Tenet

SCHEDULE A

Page Number **5**

Assets and Income BLOCK A	Valuation of Assets at close of reporting period BLOCK B							Income type and amount. If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item BLOCK C										Date (Mo., Day, Yr.) Only if "Other" Honorary										
	None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Type							Amount													
								Dividends	Rent and Royalties	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Trust	Other (Specify Type)	None (or less than \$201)	\$201 - \$1,000		\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	Over \$1,000,000	Actual Amount Only if "Other" specified		
<p>Identify each asset held for the production of income which had a fair market value exceeding \$1,000 at the close of the reporting period</p> <p>Identify each asset or source of income which generated over \$200 in income during the reporting period</p> <p>None <input type="checkbox"/></p>																												
<p>General Airline Common</p> <p>Ex. Div. Jones & Smith, Honolulu, USA</p> <p>Kingstone Equity Fund</p> <p>Div. Jones & Smith pension plan</p>																												\$10,000
Ameritech Common Stock	X																											
1/3 owner w/E. Tenet & W. Tenet (*)																												
Bell Atlantic Common Stock																												
1/3 owner w/E. Tenet & W. Tenet (*)																												
Bell South Common Stock																												
1/3 owner w/E. Tenet & W. Tenet (*)																												
Chase Manhattan Common Stock																												
1/2 owner w/W. Tenet (*)																												
Florida Power & Light Common Stock 1/2 owner w/W. Tenet (*)																												
Lilco Common Stock																												
1/3 owner w/E. Tenet & W. Tenet (*)																												

(*) See explanation on page 10

SCHEDULE A

George J. Tenet

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BLOCK A	BLOCK B		BLOCK C											
	Assets and Income at close of reporting period		Income: type and amount. If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item.											
	None (or less than \$1,001)	Over \$1,000,000	Dividends	Part and Royalties	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Trust	Other (Specify Type)	None (or less than \$201)	Amount	Actual Amount Only if "Other" specified	Date (Mo., Day, Yr.) Only if Honoraria
Identify each asset held for the production of income which had a fair market value exceeding \$1,000 at the close of the reporting period.	None (or less than \$1,001)	Over \$1,000,000												
Identify each asset or source of income which generated over \$200 in income during the reporting period.	None (or less than \$1,001)	Over \$1,000,000												
None <input type="checkbox"/>														
Central Airlines Common														
Doe Jones & Smith, Homestead, USA														
Trust for Emily Fund														
Doe Jones & Smith pension plan														
Pacific Telesis Common Stock														
1/3 owner w/E. Tenet & W. Tenet (*)	X													
Southwest Bell Common Stock														
1/3 owner w/E. Tenet & W. Tenet (*)	X													
U.S. West Inc. Common Stock														
1/3 ownership w/E. Tenet & W. Tenet (*)	X													
U.S. Smelting & Refining (debenture)														
	X													

(*) See explanation on page 10

SCHEDULE A

George J. Tenet

Assets and Income

Valuation of Assets at close of reporting period

Income: type and amount. If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item.

BLOCK A		BLOCK B										BLOCK C																	
Identify each asset held for the production of income which is a fair market value exceeding \$1,000 at the close of the reporting period.		Valuation of Assets at close of reporting period										Type							Amount	Date (Mo., Day, Yr.)									
Identify each asset or source of income which generated over \$200 in income during the reporting period		None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000	Dividends	Rent and Royalties	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Trust	Other (Specify Type)	None (or less than \$201)	\$201 - \$1,000	\$1,001 - \$2,600	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	Over \$1,000,000	Actual Amount Only if "Other" specified	Date (Mo., Day, Yr.) Only if Honoraria	
1	None <input type="checkbox"/>																												
2	Central Airlines Common Dix Jones & Smith, Henderson, USA Noneparture Equity Fund Dix Jones & Smith pension plan																												
3	National Bank of Greece Acct. #1271749408-40 1/4 owner w/E, Tenet & W. Tenet (*) National Bank of Greece (*) #501146.91 certificate #016787 1/4 owner w/E, Tenet & W. Tenet X National Bank of Greece (*) #501635.57 certificate #016800 1/4 owner w/E, Tenet & W. Tenet X																												
4	These accts. established for receipt of rents generated by properties on page 2, item 3 of this schedule.																												
5																													
6																													

George J. Tenet

Part I: Transactions

Report any purchase, sale, or exchange by you, your spouse, or dependent child during the reporting period of any real property, stocks, bonds, commodities, futures contracts, or other investments, and the amount of the transaction exceeded \$1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or any gift, including any gift to your spouse or dependent child. Check the "Certificates of divestiture" block to indicate sales made pursuant to a certificate of divestiture from OGE.

1	2	3	4	5	6	7	8	9	10	11	12		13	14	15	16	
											Transaction Type (1)	Date Mtd. (2)					Amount of Transaction (3)
	Example: Central Airline Common																
1	Sale of 700 Blackrock New York INSD MUNI																
2	Transfer of IRA for A. Stephanie Glakas-Tenet from FPA Perennial to FPA Paramount Fund Inc.																
3	Purchase of FPA Paramount Fund Inc George J. Tenet and A. Stephanie Glakas-Tenet, Acct. #5095060	X	1/1/94														
4	Purchase of FPA Paramount Fund Inc. A. Stephanie Glakas-Tenet, custodian John Michael Tenet Account #5095070	X	1/1/94														
5																	

Part II: Gifts, Reimbursements, and Travel Expenses

Report the source, a brief description (including travel, dates, and the nature of expenses provided), and the value of (1) transportation, lodging, food, or entertainment received from one source totaling \$250 or more (unless received as personal hospitality at the donor's personal or family residence), (2) other gifts from one source totaling \$100 or more in value, and (3) cash reimbursements of \$250 or more from one source. Exclude gifts, reimbursements and travel expenses from the U.S. Government. Also exclude gifts from relatives, gifts of \$75 or less when aggregating gifts for the total from one source, and gifts and reimbursements received by your spouse or dependent child that were given totally independent of the relationship to you. See instructions for further exclusions.

17	18	19	20	21	22
Source (Name and Address)	Brief Description	Value	None <input checked="" type="checkbox"/>		
Example: Next Am. of Book Collectors, NY, NY Next Am. of Book Collectors, NY, NY	Alpha ticket, hotel room & meal's incident to national conference #11909 Leather briefcase for visiting president	\$500 \$125			

Reporting Individual's Name: **George J. Tenet** Page Number: **9**

SCHEDULE C

Part I: Liabilities

Report liabilities over \$10,000 owed to any one creditor at any time during the reporting period by you, your spouse, or dependent child. Check the highest amount owed during the reporting period. Exclude a mortgage on your personal residence unless it is rented out; loans secured by auto-

mobiles, household furniture or appliances; and liabilities owed to certain relatives listed in instructions. See instructions for revolving charge accounts.

1. C 2. A 3. C 4. C 5. C	Owiler (Name and Address)	Type of Liability	Date Incurred	Interest Rate	Term, if applicable	Category of Amount or Value (1)														
						None	1	2	3	4	5	6	7	8	9	10	11			
1	Example Five District Plaza, Washington, DC John Jones, 123 J St., Washington, DC	Mortgage on rental property, Delaware Promissory note	1981 1989	12% 10%	25 yrs. on demand															
2																				
3																				
4																				
5																				

Part II: Agreements or Arrangements

Report your agreements or arrangements for future employment, leaves of absence, continuation of payment by a former employer (including severance payments), or continuing participation in an

employee benefit plan. See instructions regarding the reporting of negotiations for any of these arrangements or benefits.

1. Example	Status and Terms of any Agreement or Arrangement	Parties	
		Party 1	Party 2
1	Pursuant to partnership agreement, will receive lump sum payment of capital account & partnership share calculated on service performed through 1/91 and retained pension benefits (independently managed, fully funded, defined contribution plan)	Doc Jones & Smith, Hometown, USA	Doc Jones & Smith, Hometown, USA
2			
3			
4			
5			
6			

Reporting Individual's Name: **George J. Tenet** Page Number: **10**

SCHEDULE D

Part I: Positions Held Outside U.S. Government

Report any positions held during the applicable reporting period, whether compensated or not. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or fraternal, or political entities and those solely of an honorary nature.

None 1991

Organization (Name and Address)	Type of Organization	Position Held	From (Mo, Yr.)	To (Mo, Yr.)
Example: Next/Amn. of Rock, Collectors, NY, NY Doe Jones & Smith, Hometown, USA	Non-profit, education Law firm	President Partner	092 1986	Present 1991

Part II: Compensation In Excess Of \$5,000 Paid by One Source

Report sources of more than \$5,000 compensation received by you or your business affiliation for services provided directly by you during the reporting period. This includes the names of clients and customers of any corporation, firm, partnership, or other business enterprise, or any non-profit organization when you directly provided the services generating a fee or payment of more than \$5,000. You need not report the U.S. Government as a source.

Incumbent/
Termination Filer/
Candidate:
Not Applicable

Source (Name and Address)	Brief Description of Duties
Example: Doe Jones & Smith, Hometown, USA Neuro University, client of Doe Jones & Smith, Hometown, USA	Legal services Legal services in connection with university construction

VOTE ON NOMINATION OF GEORGE J. TENET TO BE DEPUTY DIRECTOR OF CENTRAL IN- TELLIGENCE

WEDNESDAY, JUNE 21, 1995

Chairman SPECTER. We will vote on the nomination of Mr. George Tenet to be the Deputy Director of Central Intelligence. We now have the nine members of a quorum.

Mr. Tenet's name was submitted to the committee on May 19. The sworn answers to our questions were received by the committee on June 1, and on May 31 we had his financial statement.

The chairman and the vice chairman reviewed the FBI investigation. And I might say on that, we have written to the executive branch asking for broader disclosure of the FBI report to members. We think they ought to have access to it. And also one senior staffer on each side.

We held the confirmation hearing of Mr. Tenet on June 14. My own view is that he is very well qualified, has an excellent background and perspective and I think he'll be a real addition and a major help to you.

On his nomination, Senator Kerrey, any comments?

Vice Chairman KERREY. Mr. Chairman, I think it is time to put Mr. Tenet to work.

Chairman SPECTER. Would anybody else on the committee care to say anything about Mr. Tenet before we take a vote?

Then the Clerk will call the roll.

Mrs. MCGHEE. Mr. Lugar.

Senator LUGAR. Aye.

Mrs. MCGHEE. Mr. Shelby.

Senator SHELBY. Aye.

Mrs. MCGHEE. Mr. DeWine.

Chairman SPECTER. Aye by proxy.

Mrs. MCGHEE. Mr. Kyl.

Mr. Inhofe.

Senator INHOFE. Aye.

Mrs. MCGHEE. Mrs. Hutchison.

Chairman SPECTER. Aye by proxy.

Mrs. MCGHEE. Mr. Mack.

Chairman SPECTER. Aye by proxy.

Mrs. MCGHEE. Mr. Cohen.

Senator COHEN. Aye.

Mrs. MCGHEE. Mr. Glenn.

Senator GLENN. Aye.

Mrs. MCGHEE. Mr. Bryan.

Senator BRYAN. Aye.



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Mrs. MCGHEE. Mr. Graham.

Mr. Kerry of Massachusetts.

Vice Chairman KERREY. Aye by proxy.

Mrs. MCGHEE. Mr. Baucus.

Vice Chairman KERREY. Aye by proxy.

Mrs. MCGHEE. Mr. Johnston.

Vice Chairman KERREY. Aye by proxy.

Mrs. MCGHEE. Mr. Robb.

Senator ROBB. Aye.

Mrs. MCGHEE. Mr. Kerrey of Nebraska.

Vice Chairman KERREY. Aye.

Mrs. MCGHEE. Mr. Specter.

Chairman SPECTER. Aye.

And the tally is?

Mrs. MCGHEE. Fifteen yeas, no nays.

Chairman SPECTER. Fifteen in favor, none opposed.

Senator GLENN. Mr. Chairman, before we leave George Tenet, will the vote be kept open so that others——

Vice Chairman KERREY. Senator Graham is here and would like to——

Senator GRAHAM of Florida. Mr. Chairman, could I be recorded as aye.

Chairman SPECTER. Well, of course.

Senator Graham may be recorded as voting aye, and we will keep the record open for the balance of the day.

And for the record I report that Senator Kyl has now voted for Mr. Tenet, so that makes it unanimous, 17 to nothing.

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